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ABSTRACT

In September 1991, the National Conference of State Legislatures surveyed the legislatures in 44 states, Puerto Rico, and the District of Columbia to identify priority issues for the 1992 session. The survey covered almost 1,000 issues in 18 topic areas. This report of the survey results includes sections on each of the following topic areas: (1) agriculture; (2) arts and cultural resources; (3) children, youth, and families; (4) commerce and banking; (5) economic development; (6) education; (7) the elderly; (8) electric utilities; (9) energy; (10) environment and natural resources; (11) fiscal matters; (12) health care; (13) labor; (14) law enforcement and criminal justice; (15) liability and insurance; (16) state government; (17) telecommunications; and (18) transportation. Each section contains an introduction to the issues, a chart highlighting the national pattern of issue priorities, and a table that gives state-by-state issue priorities. Introductory material includes background information on the issues and information about previous state legislative enactments. The charts give the percentage of respondents who ranked the issue area within their top five state priorities. The tables show the national priority level of the major issues and the number of states in which respondents ranked each particular issue among their top priorities for 1992. Appendices include a list of state coordinators and a sample questionnaire on agriculture issues. (BC)

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The National Conference of State Legislatures serves the legislators and staffs of the nation's 50 states, its commonwealths and territories.

NCSL was created in January 1975 from the merger of three organizations that served or represented state legislatures. NCSL is a bipartisan organization with three objectives:

- To improve the quality and effectiveness of state legislatures,
- To foster interstate communication and cooperation,
- To ensure states a strong, cohesive voice in the federal system.

The Conference has offices in Denver, Colorado, and Washington, D.C.

State Issues 1992

A Survey of Priority Issues for State Legislatures

Prepared with support from the Foundation for State Legislatures

National Conference of State Legislatures

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Acknowledgments

The NCSL *State Issues* survey project was managed by Deborah Bernau and Doug Sacarto. They were assisted throughout the process of conducting the survey, compiling results and preparing this report by Jennifer Baker, Denise Griffin and Mary Noel Rees.

State Issues 1992 summarizes more than 1,400 survey responses from several hundred state legislators and legislative staff. Their willingness to read, assimilate and respond to the questionnaires was essential to this endeavor. The efforts of legislative staff who acted as state coordinators for the survey were crucial also for effective distribution and completion of the survey questionnaires.

NCSL issue experts contributed to the survey in their topic areas by identifying major issue areas and sub-issues for the questionnaires and then preparing introductions to the topic areas for this report. They are listed as contacts at the end of each topic introduction.

Special credit also is due Craig Short, Rena Roybal and Bill Ferguson for their technical computer support.

The conscientious efforts of all those who participated in the survey and contributed to the report were essential to the success of this work and are most gratefully acknowledged.

The broad scope and thoroughness achieved in this survey were possible because of the support provided by the Foundation for State Legislatures and all of its contributors. NCSL greatly values the foundation's ongoing support for the annual *State Issues* survey.

State Issues 1992 is part of an annual three-volume set of reports prepared by the NCSL State Issues and Policy Analysis Program. The other volumes are: *Selected State Enactments*, published in November, and *State Legislative Staff Directory*, published in May.

Introduction

The National Conference of State Legislatures (NCSL) surveyed the legislatures in 44 states, Puerto Rico and the District of Columbia in September 1991 to identify priority issues for the 1992 sessions. (Arkansas, Montana, North Dakota, Nevada, Oregon and Texas do not have a regular legislative session in 1992 and were not surveyed.) The survey covered almost 1,000 issues in 18 topic areas.

State Issues 1992 reports the priorities for each state and, based on the state rankings, identifies the national pattern of priorities for each of the 18 topic areas. (See the table on page 2, which lists four of the top issues for each topic area.)

Legislative agendas in 1992 will be dominated by mounting budget problems. As they waited for the economy to revive, state lawmakers have in successive years cut budgets, increased revenues, gleaned one-time savings, deferred necessary expenditures and raided special funds to balance the general fund. The states now face especially critical budget prospects as the recession persists with an ominous increase in unemployment reported at the end of 1991.

State spending increases in 1991 were the smallest since the 1983 recession. Budgets were based on the expectation of a very moderate recovery. But even though the states acted with caution, in at least half the states budget shortfalls are already projected for FY1992.

State lawmakers have a shrinking array of budget options, and factors outside their control are driving expenditures upward. Federal mandates to expand Medicaid and other welfare programs, state court orders to equalize school funding and federal court orders to reduce prison overcrowding have imposed tremendous costs.

State Issues respondents reflected the besieged and often critical condition of state budgets. They identified funding of programmed expenditures for 1991 and maintaining even continuation-level budgets for 1992 as their top fiscal concerns (p. 65). But beyond this, many respondents for the broader range of policy concerns--from agriculture to environment to telecommunications--reported that the budget will be *the* issue in 1992. Other pressing issues--like economic development, workers' compensation and solid waste management--must be tabled in many cases while they struggle to bridge widening gaps between revenues and projected expenditures.

Format of the Report

This report presents the *State Issues* survey results in a separate section for each of the 18 topic areas. Each section contains an introduction to the issues, a chart highlighting the national pattern of issue priorities and a table that gives state-by-state issue priorities. The report therefore presents national as well as state-by-state priorities for each topic area.

The introduction for each topic was written by NCSL issue specialists whose names appear after the narrative. The introductions provide a context for interpreting the survey results, including background on the major issues, information about previous state enactments and highlights of this year's survey results. The tables of state-by-state priorities also show two other results: (1) the "national priority level" [described below] of the major issue areas of that topic in the column labeled "Nat'l Rank" and (2) the total number of states ["State Total" column] where respondents ranked the corresponding issue among their top priorities for 1992. The charts showing the national pattern of issue priorities are explained below.

Top Priorities Nationally by Topic Area

AGRICULTURE
- Soil and Land Preservation
- Pesticide Use
- Agricultural Marketing
- Rural Economic Development

ARTS AND CULTURAL RESOURCES
- State Arts Agencies
- Historic Preservation
- Arts in Education
- Cultural Facilities

CHILDREN, YOUTH AND FAMILIES
- At-Risk Youth
- Public Assistance Programs
- Child Care/Early Childhood Education
- Children and Family Services

COMMERCE AND BANKING
- Safety and Soundness of Financial Institutions
- Consumer Protection
- Consumer Banking Issues
- Expansion of Banks' Powers

ECONOMIC DEVELOPMENT
- Distressed Areas
- Scale, Quality and Accountability of Economic Development Efforts
- Tourism Administration and Funding
- Small and New Business Assistance

EDUCATION
- Finance: K-12
- Education Reform
- Accountability: K-12
- Finance: Higher Education

ELDERLY
- Alternatives to Institutional Care
- Health Insurance
- Long-Term Care
- Nursing Homes and Services

ELECTRIC UTILITIES
- Siting and Environment
- Incentives for Alternative Power Supplies
- Incentives for Customer Energy Conservation
- Consumer Protection

ENERGY
- Energy Efficiency: Residential and Commercial Sectors
- Energy Efficiency: State Government
- Alternative Vehicle Fuels
- Tax and Financial Incentives for Conservation and Use of Renewables

ENVIRONMENT AND NATURAL RESOURCES
- Solid Waste: Recycling and Waste Reduction
- Water Quality
- Solid Waste: Public Management and Disposal
- Air Quality

FISCAL
- Revenue Management
- Education: K-12
- Health Care
- Budget Management

HEALTH CARE
- Health Insurance
- Medically Indigent/Uncompensated Care
- Medicaid and Medical Assistance Programs
- Hospitals

LABOR
- Workers' Compensation: Coverage and Benefits
- Unemployment Insurance
- Workers' Compensation: Procedures and Financing
- Human Resource Development

LAW ENFORCEMENT AND CRIMINAL JUSTICE
- Sentencing and Sentencing Options
- Prison Release Mechanisms
- Drug Control Strategies
- Juvenile Justice

LIABILITY AND INSURANCE
- Insurance Company Operations
- Motor Vehicle Insurance
- Reform of Insurance Regulation
- Civil Justice Reforms

STATE GOVERNMENT
- Campaigns and Elections
- Constitutional Issues
- Ethics in Government
- Legislative Procedure

TELECOMMUNICATIONS
- Consumer Protection/Privacy
- Telemarketing
- Basic Local Telephone Service
- Telephone Industry Regulation

TRANSPORTATION
- Roads and Highways: Construction and Improvements
- Mass Transit
- Commercial Motor Vehicles
- Drunk or Drugged Driving

Survey Method

The survey used separate questionnaires for 18 topic areas, such as health care or economic development. The topic areas are listed in the table on page 2. Each questionnaire listed 7 to 12 major issue areas, with sub-issues listed under each major issue area. Copies of the questionnaires were sent to legislative staff contacts in each state (see Appendix 1) who were asked to distribute the questionnaires to legislators or legislative staff in the best positions to identify priority issues for the upcoming session.

Respondents first were asked to pick the top five major issue areas and rank them in descending order of importance from 1 (highest priority) to 5. Then, under each of their five priority issue areas, they were asked to mark one or more of the sub-issues that they expect their legislature to address during the 1992 session. Space also was provided for respondents to identify issues in that topic area that were not listed on the questionnaire or to elaborate on their responses (see sample questionnaire in Appendix 2).

No comparative rankings among topic areas were sought by the survey. Therefore the relative priority given to agriculture issues compared to health care issues (or similar comparisons) cannot be determined by state or nationally from the survey responses. The rankings instead give relative priorities among major issue areas within each topic area. (Priorities among all major policy areas were sought in NCSL's annual pre-session survey of legislative leaders in the 50 states conducted in October of 1991. A summary of those survey results is published in NCSL's *Leaders' Outlook 1992*.)

Survey Results

More than 1,400 survey responses were received, despite the demands placed on legislators' time by elections in some states and the budgetary crisis in many more states. For most of the 18 topics, responses were received from key legislators or their staff in approximately 40 of the 44 states in session this year, Puerto Rico and the District of Columbia.

The survey results are reported state-by-state for each of the 18 topics. In each table, entries in a state column show the rankings given to the corresponding issue area by respondents from that state (e.g., "1,3,3" means that one respondent ranked the issue as #1 priority and two respondents ranked it #3). The subissues identified by respondents as agenda items in their top five priority issue areas are indicated by a check mark (✓), where "✓✓✓" means that three respondents from the state selected that subissue.

National Priority Ranking

The pattern of state rankings provides the basis for assigning "national priority" rankings within each topic according to three factors:

- The percentage of respondents who included an issue area among their top five priorities;
- The specific rankings (1 to 5) that those respondents assigned to that issue area; and
- The number of states in which respondents selected the issue area as one of their top five priorities.

The national priority rankings for each issue area are given by a roman numeral (I through V), and the issues are listed in each state table in descending order of priority.

Issue areas that received the highest rankings by the most respondents from the greatest number of states are assigned the top national priority level (I) for that topic. Issue areas selected as priorities by very few respondents fall to the bottom of the national priority ranking (IV or V) even if those few respondents assigned a high priority to the issue. Thus, the national priority rankings describe the pattern of responses nationally for that topic area, not the importance of the issue in any particular state.

Issue areas have the same priority level within a topic when the survey results do not clearly distinguish them. Subissues under each major issue area are listed in descending order according to the number of states where they were identified as agenda items. Note, again, that the survey did not compare the relative priority of issues among topic areas. Therefore a "national rank" of "II" in one topic area does not imply that the issue has greater priority than an issue with a "national rank" of "III" in a different topic area.

National Priority Ranking Charts

Key factors in assigning the national rankings are presented graphically for four top issue areas in each topic by the chart titled "National Priority Ranking of Top Issues."

Each chart gives the percentage of respondents for that topic who ranked the issue area as their #1 or #2 priority, and the percentage of states where a respondent placed the issue area among their top five priorities in that topic. (The percentage of respondents who gave an issue area a rank of 3, 4 or 5 also figure into the national priority ranking, but those values are not displayed in the charts.)

These charts help illustrate the degree of consensus (or lack of consensus) nationally regarding the issues in each topic. A high degree of consensus on the top priority issue area was found, for example, in the fiscal, state government and transportation topics, while no clear consensus appeared in economic development.

Complementary Publications to the *State Issues* Survey

Selected State Enactments 1991 identifies recently enacted legislation on over 400 priority issues for 18 major policy areas. Copies of the legislation may be obtained by calling the contacts provided.

State Legislative Staff Directory 1991 is a directory of key state policy and fiscal contacts for each state in 18 major issue areas.

Leaders' Outlook 1992 summarizes the results of interviews with legislative leaders in October 1991. This national summary pinpoints the top priority issues facing state legislatures and covers the issues and legislation at the federal level that will have the greatest impact on the states in 1992.

Agriculture

Environment and agriculture issues will again be intertwined in 1992 legislative deliberations. Environmental concerns regarding pesticide use, the preservation of wetlands and protection of groundwater are expected to top the agriculture agendas in most states, according to *State Issues* respondents. Measures to bolster rural development also will be important because both Congress and the states continue to debate the best method to create a strong rural infrastructure. Marketing and promoting agricultural products in the U.S. and the rest of the world will be a major topic throughout the country.

Soil and Land Preservation

Preserving agricultural land through the use of easements and tax incentives is a top agriculture issue in at least 21 states. One goal is to preserve wetlands without penalizing farmers whose use of wetlands for crop production will be restricted. Agricultural interests often contend that regulating land use practices in wetlands with limited ecological value hurts farming economics. Purchasing an easement would limit development of protected wetlands while retaining title in the farmer's name and offering financial compensation. An August 1991 presidential proposal that would narrow the definition of wetlands--thereby reducing wetlands acreage currently protected--may affect the direction of state legislation regarding farmland preservation.

Lawmakers will also discuss preserving farmland through property tax credits. Tax incentives for farmers to retain their land in agricultural use can be achieved through differential assessments and property tax credits. One method is to assess differential tax levies based on the land's actual value in agricultural use rather than its fair market value for development. Property tax credits allow a farmer to apply a percentage of local property taxes toward reducing state income taxes.

Pesticide Use

Much of the federal and state discussion regarding pesticide use focuses on protecting the health and safety of consumers while not impairing the livelihood of farmers. In 1992, half the states will either propose to expand the scope of pesticide controls by limiting their use, or will assess whether pesticide regulations are too restrictive. States also plan to continue training applicators to ensure their safety when they use pesticides. Hawaii will look at mechanisms to ensure that applicators are certified, trained and licensed. States will also examine fees charged to pesticide manufacturers and applicators.

National activities may force states to look more closely at their role in the regulation of pesticides. A Supreme Court decision, *Wisconsin Public Intervenor vs. Mortier*, upholds the rights of local jurisdictions to control and even ban pesticides. However, congressional proposals would permit local regulation only with approval of states.

States will attempt to define the role of agriculture departments in regulating pesticides. Mississippi will seek to re-establish a Department of Agricultural Pesticide Regulation; other states may require their agriculture departments to be notified before pesticides may be used. Michigan will propose labeling of all fruits and vegetables sold in the state to show the type of pesticide used in growing the product.

Sustainable agriculture and groundwater protection head the list of environmental concerns associated with pesticide use. Some states will examine farming without the use of pesticides, while others will look at the need for increased research in sustainable agriculture--balancing environmental protection and land conservation with a viable farm economy--

and funding for projects to reduce agricultural chemical use.

Groundwater pollution and the reduction of nonpoint sources of pollution will be a major topic of discussion this year, with about half the states planning to address these issues in 1992. As noted in the water quality discussion of the Environment and Natural Resources section, regulating agricultural chemical use is a major groundwater concern. Establishing groundwater quality standards for specific pesticides, promoting best management practices to reduce their use, and assessing fees for product registration and use are primary policy options. New York will attempt to limit non-negligent groundwater liability.

Agricultural Marketing

The major vehicle for publicizing the quality of American agricultural products is marketing through advertisement. Hawaii is one of many states that will offer proposals to fund major marketing projects for state-grown commodities. States will aim to make programs more effective by concentrating on better coordination of agricultural marketing efforts. Promoting new products and organic products are also major priorities.

International promotion will also be a significant marketing project for the states; at least half the states plan to consider the issue in this year's sessions. States will explore expanding trade opportunities with several countries including the Baltic States and the Soviet Union. Minnesota will examine technical and financial assistance for export activities to the European Community.

Rural Economic Development

A major goal of states is to ensure that rural areas have needed infrastructure. Providing and financing water and wastewater treatment plants and other rural infrastructure will dominate the agriculture agendas of about 20 states. Some states will consider programs to encourage business to move to rural areas. Idaho will undertake efforts to get more small businesses into smaller communities to stimulate local economies.

Animal Rights

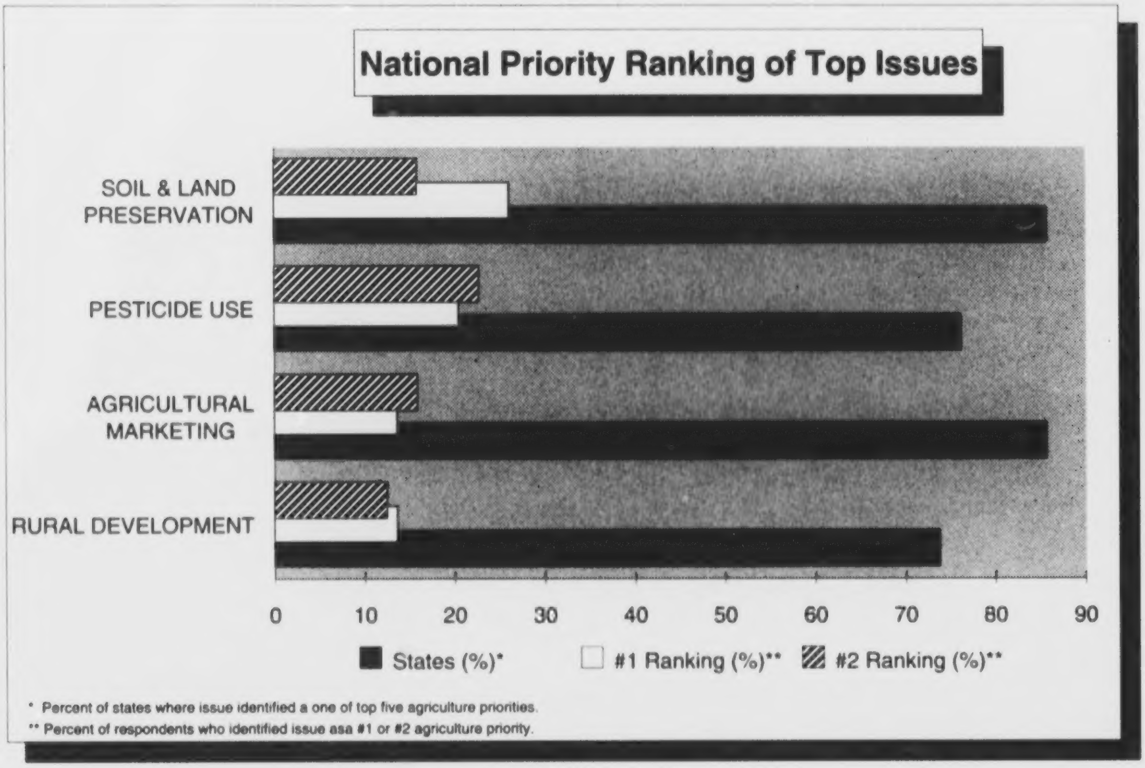
Animal rights will come under discussion in about half the states. While at least 15 states already outlaw trespass onto or sabotage of animal research facilities or farms, a dozen more states are likely to consider such legislation in 1992. In addition, legislation is now pending in the U.S. Congress that would protect federally funded research facilities from trespassers. Eleven states, according to *State Issues* survey responses, will consider legislation to regulate animal dealers and breeders in response to concerns over inhumane conditions in "puppy mills" and health problems of pets purchased from retail pet stores. Another seven states will consider legislation related to animal testing.

Other Priority Issues

Several states will examine policies relating to biotechnology products. On the federal level, biotechnology products are regulated by the U.S. Environmental Protection Agency, the U.S. Department of Agriculture and the Food and Drug Administration. States will explore regulatory actions to gauge the safety of these products.

Some states will turn their attention to increasing the visibility of farmers' markets (e.g., selling products off major arteries) and restricting corporate and cooperative farming. Vital to the rural economy will be training farmers to enter the workforce and job counseling for farmers.

Safety issues such as field sanitation for agricultural workers may be the subject of much discussion. Financial assistance for those in the agriculture community will also be addressed in many states. For example, Iowa will consider low-interest loans for beginning farmers and Ohio expects to consider drought relief funding.



National Priority Ranking of Top Issues

* Percent of states where issue identified a one of top five agriculture priorities.

** Percent of respondents who identified issue asa #1 or #2 agriculture priority.

Other top priority issues identified by respondents include nutrient management (Pennsylvania), zoning in rural areas (Iowa), real estate taxes (Michigan), compensation to ranchers for depredation by wildlife (Utah), and property rights (Arizona). Still other priority issues likely to garner legislative attention are: coverage by the argicultural producer's security fund (New York), bringing fertilizer laws into compliance with groundwater protection legislation (West Virginia), and an agricultural simulator in Wyoming. Rural health care, corporate farming, and the effect of environmental protection laws on farmers will be dicussed in Minnesota this year.

NSCL Staff Contacts: Karen Britto, Agriculture (D.C. Office), Larry Morandi, Soil and Land Preservation (Denver Office) and Pam Greenberg, Animal Rights (Denver Office)

Agriculture

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**SOIL AND LAND PRESERVATION**	**I**	**36**	**2**	**1,3**	**1,4**	**4**	**2,4**			**1**	**1,5**	**4**	**1**	**1,5**
a.	Wetlands drainage/filling		30	✓	✓	✓	✓	✓			✓	✓	✓		
b.	Agricultural land preservation		21			✓					✓	✓		✓	✓
c.	Soil conservation		17		✓										✓✓
d.	Other		10		✓	✓		✓				✓			
2.	**PESTICIDE USE**	**I**	**32**		**2,3,5**	**1,1,2**	**1**	**3**			**3**	**2,2**	**1**	**2,3,4**	**5**
a.	Groundwater protection (nonpoint controls)		24		✓✓✓	✓✓✓					✓		✓	✓✓	
b.	Pesticide use regulation		23		✓	✓✓						✓✓		✓✓	
c.	Pesticide registration		16		✓	✓✓✓						✓✓			✓
d.	Applicator certification/training/licensing		14		✓	✓						✓		✓✓	
e.	Pesticide residues standards/testing		12		✓	✓✓	✓				✓			✓	
f.	Pesticide bans		9			✓✓	✓							✓	
g.	Other		4										✓		
3.	**AGRICULTURAL MARKETING**	**II**	**36**	**1**	**2,2,3**	**5,5,5**	**2**	**1,2**			**5**	**3,3**	**3**	**1,3,3**	**3**
a.	International trade promotion		25			✓✓	✓	✓				✓✓	✓	✓	✓
b.	Domestic marketing		21		✓	✓		✓				✓		✓	
c.	Promotion of state products (e.g., Idaho potatoes)		21		✓✓	✓✓	✓				✓	✓✓		✓✓✓	
d.	State quality standards/certification of products		13	✓		✓✓					✓			✓	
e.	Interstate commodity compacts		6			✓									
f.	Other		6	✓								✓			
4.	**RURAL ECONOMIC DEVELOPMENT**	**II**	**31**		**1,1,5**	**2,2**		**1**			**4**				**3,4**
a.	Promotion of food processing industries (value added, etc.)		23			✓		✓							✓✓
b.	Rural infrastructure and service financing		20		✓✓✓	✓✓					✓				
c.	Farmers' markets		10		✓✓	✓									
d.	Other		5								✓				
5.	**ANIMAL RIGHTS**	**III**	**23**			**3**	**3**	**5**					**2**	**1,2**	
a.	Protection of farm animal/animal research facilities		12					✓					✓	✓	
b.	Regulation of animal dealers/breeders		11			✓									
c.	Animal experimentation		7			✓	✓								
d.	Other		6											✓✓	
6.	**TECHNICAL ASSIST/TRAINING/FARM LABOR**	**III**	**27**		**3,4**	**3,4**		**4**			**2**	**1,4**		**5**	**4**
a.	Sustainable agriculture research and demonstration		14			✓								✓	✓
b.	Farm labor issues (e.g., health insurance, pesticide exposure)		11			✓					✓	✓		✓	
c.	Integrated pest management		10			✓✓								✓	
d.	Farm safety standards		8			✓						✓		✓	
e.	Family farm business assistance		8		✓	✓									✓
f.	Retraining and job counseling		5		✓✓									✓	
g.	Other		2									✓			
7.	**FINANCE AND CREDIT**	**III**	**21**		**4,4,5**		**5**						**5**	**2**	**2,2**
a.	Loan programs		12		✓✓✓		✓							✓	✓✓
b.	Emergency relief/insurance (e.g., drought, flood)		10		✓									✓	
c.	Beginning farmers		9										✓	✓	✓✓
d.	Other		2												
8.	**FOOD LABELING**	**III**	**22**					**5**				**4,5**		**3,4,5**	
a.	Description (e.g., organic, natural)		10									✓			
b.	Pesticide use		8									✓			
c.	Ingredients		7									✓		✓	
d.	Other		6												
e.	Nutritional content		3											✓	
f.	Country of origin		3											✓✓✓	
g.	Health claims		2									✓			
9.	**BIOENGINEERED SUBSTANCES**	**IV**	**13**			**3**		**3**						**4**	
a.	Regulation of bioengineered substances		10			✓									
b.	Biotechnology support		6			✓		✓						✓	
c.	Other		1												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top agriculture priority.

Note: No responses were received from (or issues identified for): CT, DC, MA, and NM.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

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Agriculture

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	2,3	1,1,3,4	2,3,5		2	4,5		1	2,3,3	1,2	1,3,3	3,3		3,4		1,1,1	1,3		1	1,2
a.	✓	✓✓✓✓	✓✓✓			✓✓			✓✓✓	✓✓	✓✓	✓✓		✓		✓✓✓	✓✓		✓	✓
b.			✓		✓	✓		✓		✓				✓		✓	✓✓		✓	✓
c.	✓				✓	✓		✓	✓✓					✓		✓	✓			✓
d.	✓✓	✓								✓						✓✓				
2.	1,1,2	2,2,3	1,1,3	3	3,3,4	2,2		2	1,1,4	2,2,5	1,4,4	1,2	2		3	2,2	1,2		2,3	5,5
a.	✓✓✓	✓✓✓	✓✓	✓	✓✓	✓✓		✓	✓✓✓	✓✓	✓	✓			✓		✓		✓✓	✓✓
b.	✓	✓✓	✓✓		✓✓	✓✓		✓	✓✓✓	✓	✓				✓	✓✓	✓✓		✓✓	✓
c.	✓				✓	✓		✓	✓						✓		✓		✓✓	
d.	✓✓		✓✓			✓		✓		✓		✓			✓		✓			
e.	✓✓✓					✓						✓								✓
f.	✓	✓	✓✓			✓											✓			
g.	✓														✓					
3.	3,3,4	2,3,4	1,4,5		1,3,4	1,1			2,4	4	2,2	5,5	1	1,1	4	2,4	2,4		2,4	2,4
a.	✓✓	✓✓✓	✓		✓✓	✓✓				✓	✓	✓		✓		✓✓	✓		✓	✓
b.	✓	✓	✓		✓✓	✓✓								✓	✓		✓		✓	✓✓
c.	✓✓	✓✓			✓	✓✓			✓✓			✓		✓✓	✓	✓	✓✓		✓✓	✓
d.	✓✓	✓	✓						✓					✓					✓	
e.	✓				✓	✓									✓					
f.		✓✓	✓							✓										
4.	1,4	1,3,4	2,3,4	1	1,2,2	3,3					1,4,5	1,4,4	3	2,2	1	3	3,4		3	3,3
a.	✓✓	✓✓	✓	✓	✓✓	✓✓					✓✓	✓		✓✓	✓		✓✓		✓	✓
b.	✓	✓✓	✓✓	✓	✓✓	✓						✓✓			✓	✓				✓
c.		✓	✓									✓		✓✓			✓		✓	
d.	✓	✓													✓					
5.	5	5,5,5,5	4	2					2,5	3	5	1,1,2		5	2		2			
a.	✓	✓✓	✓									✓✓✓			✓		✓			
b.				✓					✓		✓	✓✓		✓	✓					
c.		✓✓										✓✓		✓			✓			
d.									✓	✓										
6.	2,5	2,4		4	5				5	4	2,5	5		3	5		5		4,5	
a.		✓		✓					✓		✓			✓	✓				✓✓	
b.	✓	✓									✓			✓						
c.									✓		✓	✓					✓		✓✓	
d.										✓	✓✓	✓		✓	✓					
e.		✓✓									✓									
f.		✓✓			✓															
g.											✓									
7.			2		1	4			3	1	5		4				1			1,4
a.					✓	✓			✓	✓	✓						✓			
b.			✓			✓			✓											✓✓
c.			✓		✓						✓									✓
d.																				
8.	4	1	5	5	5				4,5	1,3,3	2	4				3	3,5			
a.		✓	✓	✓					✓								✓			
b.		✓			✓				✓	✓							✓			
c.		✓		✓													✓			
d.										✓						✓				
e.	✓																✓			
f.									✓			✓								
g.											✓									
9.	5					5			1		3	2,3					4		5	
a.	✓					✓			✓		✓	✓							✓	
b.												✓✓					✓			
c.																				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Agriculture

MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT**	VA	VT	WA	WI	WV	WY
1. SOIL AND LAND PRESERVATION	4	2,3		1,1,1	2	1,2	1			5	2,2	2,3	3	1,3
a. Wetlands drainage/filling	✓	✓✓		✓✓		✓✓	✓				✓✓	✓	✓	✓✓
b. Agricultural land preservation		✓		✓✓✓			✓			✓		✓	✓	
c. Soil conservation				✓✓		✓	✓			✓		✓		✓
d. Other		✓			✓									
2. PESTICIDE USE			5	2,4		1,4	5				1,1,3	1,1		
a. Groundwater protection (nonpoint controls)				✓		✓	✓					✓		
b. Pesticide use regulation				✓✓		✓	✓				✓✓	✓		
c. Pesticide registration				✓		✓					✓	✓		
d. Applicator certification/training/licensing				✓		✓✓								
e. Pesticide residues standards/testing			✓				✓				✓			
f. Pesticide bans												✓		
g. Other											✓✓			
3. AGRICULTURAL MARKETING	1		4	3,3			2		5	1	2	5	4	4
a. International trade promotion	✓						✓			✓	✓			✓
b. Domestic marketing	✓		✓	✓✓			✓		✓				✓	
c. Promotion of state products (e.g., Idaho potatoes)				✓✓			✓						✓	
d. State quality standards/certification of products				✓					✓					✓
e. Interstate commodity compacts										✓				
f. Other				✓										
4. RURAL ECONOMIC DEVELOPMENT	2	4	3	2,4,4	1	3	3		1	4		2,4		2
a. Promotion of food processing industries (value added, etc.)	✓	✓		✓		✓				✓		✓		✓
b. Rural infrastructure and service financing	✓	✓	✓	✓	✓		✓		✓					
c. Farmers' markets				✓			✓							
d. Other												✓		
5. ANIMAL RIGHTS	3	5		3	3	2,5			2		1			
a. Protection of farm animal/animal research facilities		✓		✓		✓✓								
b. Regulation of animal dealers/breeders	✓				✓	✓			✓					
c. Animal experimentation		✓												
d. Other		✓							✓		✓			
6. TECHNICAL ASSIST/TRAINING/FARM LABOR		3		2	4	3,5	4		4		3,4	3		
a. Sustainable agriculture research and demonstration		✓		✓	✓						✓			
b. Farm labor issues (e.g., health insurance, pesticide exposure)		✓					✓				✓✓			
c. Integrated pest management					✓	✓			✓					
d. Farm safety standards														
e. Family farm business assistance				✓		✓	✓							
f. Retraining and job counseling						✓								
g. Other														
7. FINANCE AND CREDIT		5	2	5,5	5					3	4			1
a. Loan programs										✓				✓
b. Emergency relief/insurance (e.g., drought, flood)		✓		✓						✓				✓
c. Beginning farmers				✓✓	✓									
d. Other			✓								✓			
8. FOOD LABELING		2,4	1	5		4					5	5	2	5
a. Description (e.g., organic, natural)		✓✓									✓	✓		✓
b. Pesticide use						✓					✓			
c. Ingredients		✓✓												✓
d. Other		✓	✓	✓									✓	
e. Nutritional content														
f. Country of origin														
g. Health claims														
9. BIOENGINEERED SUBSTANCES										2	5,5	4		
a. Regulation of bioengineered substances										✓	✓	✓		
b. Biotechnology support											✓			
c. Other											✓			

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue.

**UT indicated one priority that is identified only in the summary.

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Arts and Cultural Resources

Funding the arts and historic preservation agencies once again appears at the top of many arts and cultural resources agendas for 1992 sessions, according to *State Issues* survey responses. Since the 1980s, states have steadily increased their spending on the arts; arts advocates, however, face formidable competition for a limited supply of state budget money. Following fierce debate over federal arts funding during the 1991 congressional session, Congress reauthorized the National Endowment for the Arts (NEA) and secured some additional funding to states for arts education and rural arts initiatives.

State Arts Agencies

On average, state arts agencies receive 10 state dollars for each federal grant dollar. Some of these funds are used for block grants to local arts agencies which in turn grant the funds to community arts organizations and artists. Many states have used state and federal money to specifically target arts development in rural and underserved areas. Funds are also used to provide general operating support to institutions and arts organizations, and to provide artist-in-residence programs in schools.

Reflecting the poor economic conditions in the states, 36 of the 56 arts agencies experienced decreases in 1992 appropriations. States are devoting an average of one-tenth of 1 percent of their general fund to supporting state arts agencies, arts education programs and public arts projects. State arts agencies received appropriations totaling over $215 million for fiscal year 1992, a decrease of 21.6 percent from funding for the previous year. This follows a steady increase in arts budgets for the past several years. However, in states with stronger economies, arts budgets stayed constant or increased. Some states, including Alabama, Connecticut, Montana, Nevada and Wisconsin, experienced increases of over 20 percent, but major budget cuts in several large states --Massachusetts, Michigan, Florida and Tennessee--significantly curtailed state arts programs.

With state arts agencies receiving more money from the legislatures than from federal sources, and Congress having secured additional funding to the states for the next fiscal year through the NEA, many state arts agencies are seeing their legislatures debate questions of propriety and morality in the arts similar to those in the U.S. Congress over arts funding.

Historic Preservation

Historic preservation efforts will garner the attention of at least 36 states in 1992 sessions, especially the funding of preservation projects and restoration of state capitol buildings, according to survey respondents. The state capitol is one of the most valuable historic landmarks in a state and frequently, as in the case of New Mexico, is also one of the most popular tourist attractions. Almost half the states plan to address capitol preservation issues in '92 sessions. Illinois, Kentucky, Pennsylvania and Michigan have restoration projects in progress, while Delaware, Iowa and Missouri report that capitol preservation and restoration will start this session. Ohio is continuing with its $69 million restoration project, and Texas has appropriated $161.9 million for expansion and restoration. In Oklahoma, where the original state capitol plans included a "tall magnificent dome," the Legislature chose not to appropriate money for completion of the project. While

11 other capitol buildings are domeless, Oklahomans are disappointed that theirs is the only one that called for a dome and is still unfinished. The State Capitol Preservation Commission has authorized plans for a restoration project to be funded through private sector contributions.

Protecting significant historic and prehistoric sites also continues to be an important issue in the states. Many states are grappling with ancient grave site protection and whether to rebury Indian remains that have been on public display. Several states have taken action in recent years, and others, including Tennessee, Michigan and North Dakota, plan legislation that will deal with this emotionally charged issue. New Mexico recently enacted what well may be the strongest state historic resource protection law in the country. The law prohibits spending public funds on programs or projects that require using any portion of land from significant prehistoric or historic sites, unless there is no feasible and prudent alternative. Other states, such as Illinois, Nebraska and Wyoming, are seeking to strengthen preservation legislation.

While changes in the federal tax law curtailed the efforts of preservationists to secure federal tax incentives for historic restoration projects, 37 states now offer tax incentives for historic preservation. The incentives range from local property tax abatements to state income tax credits to special tax assessment methods. Some states--Texas and Georgia, for example--offer tax incentives for major renovation projects for residential or commercial properties. Rhode Island law allows owners of historic homes to take a 10 percent state income tax credit if they spend at least $2,000 in one year on property repairs. Eligible work includes roof, window and porch repairs and is restricted to owner-occupied residences.

Kansas recently passed legislation to create a "heritage trust fund" to help finance historic preservation projects. During the last session, the Legislature further authorized grants for rehabilitating historic properties and established a revenue source for this purpose: a 1 percent increase in mortgage registration fees from 25 cents to 26 cents per $100.

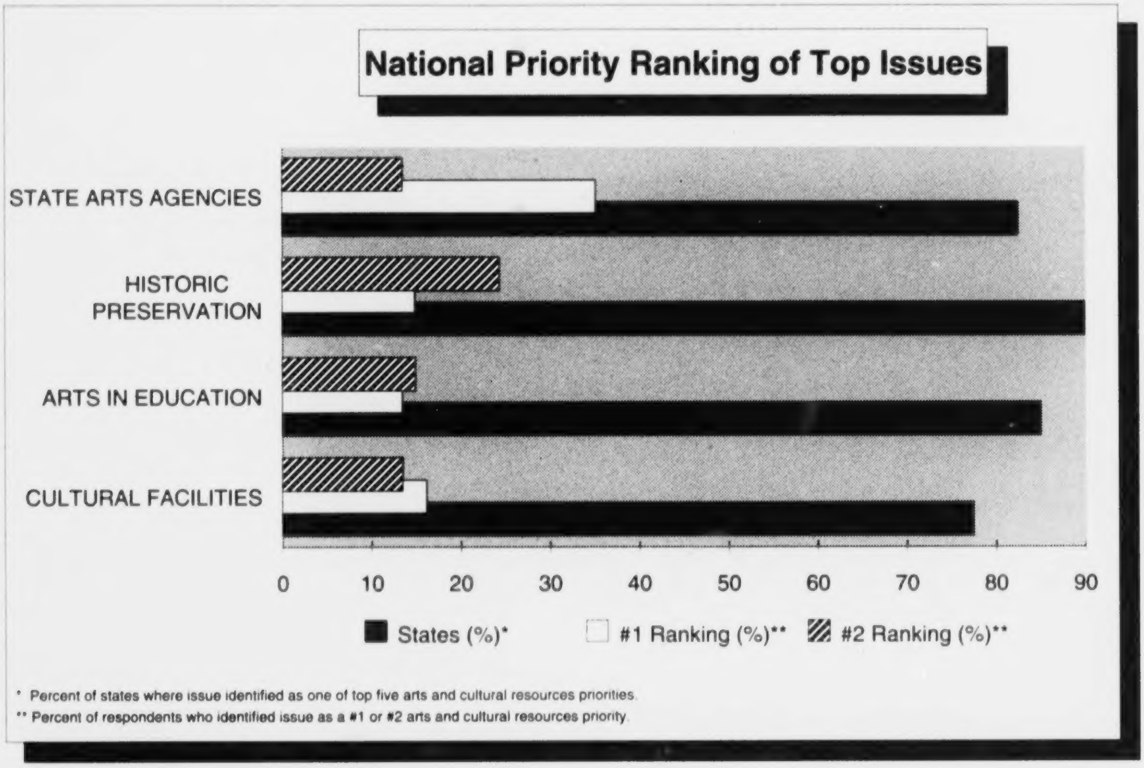
Arts in Education

As states face the enormous task of implementing education reform, arts proponents are pushing for the inclusion of the arts in basic education programs.

Oklahoma, North Carolina, Delaware, California and Utah will be providing "gifted and talented" programs, while Virginia, Minnesota, California, Wisconsin and Arizona will seek to establish or improve arts "magnet" schools. Still others will follow the lead of South Carolina by including funding for arts education programs in their education reform packages.

Cultural Facilities

The majority of cultural agencies still receive much of their support through direct appropriations. While this survey shows that funding cultural facilities is of great concern--with over half the states planning to consider it--state and local grant support has actually increased over the past five years. Due to the recession and funding cutbacks in the states, many cultural organizations are seeking non-traditional revenue sources which dedicate a revenue source to culture. These sources include tourist or entertainment taxes, sales, property or occupational taxes, lotteries, tax checkoffs and corporate filing fees. One of the most innovative approaches to funding cultural facilities is the establishment of special district financing, such as the



* Percent of states where issue identified as one of top five arts and cultural resources priorities.

** Percent of respondents who identified issue as a #1 or #2 arts and cultural resources priority.

Colorado Scientific and Cultural Facilities District created by the Colorado General Assembly and ratified by the voters in 1988. One-tenth of 1 percent of sales tax is dedicated to Denver's scientific and cultural institutions such as the zoo, museums and theaters. Many other states report that they will continue to provide incentives or funds to support sports facilities (Missouri, Maryland and Ohio) and art museums (Hawaii, Wyoming, Idaho and Utah). South Carolina plans to examine the role of arts and culture in economic development.

NCSL Staff Contact: Laura Loyacono (Denver Office)

Arts and Cultural Resources

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**STATE ARTS AGENCIES**	I	33	1,1	1,2	1,4	2		2,3		4			1,4	1
a.	Funding		31	✓✓	✓✓	✓✓	✓		✓		✓			✓	✓
b.	Local/regional programs		22		✓✓		✓		✓		✓			✓	✓
c.	Administration		13				✓		✓					✓	✓
d.	Grant oversight mechanisms		12			✓	✓							✓	
e.	Economic impact studies		8			✓			✓						
f.	Programming		7				✓								
g.	Other		5				✓								
2.	**HISTORIC PRESERVATION**	I	36	2,3	3	5		3,5			1,5			3,5	3
a.	Funding		22	✓	✓										✓
b.	Capitol building preservation		21		✓						✓✓				✓
c.	Grave preservation/Indian remains reburial		16	✓✓		✓					✓				
d.	Tax incentives for preservation		14								✓			✓	
e.	Archeological guidelines		13	✓				✓✓			✓			✓	
f.	Other		7											✓	
3.	**ARTS IN EDUCATION**	II	34		2,5	3,3	1	1,4	1,1		2,3		3	2	4
a.	Gifted and talented programs		22		✓	✓	✓	✓✓	✓		✓		✓		✓
b.	Funding		20		✓✓	✓	✓				✓✓				
c.	Magnet schools		19		✓	✓✓	✓	✓	✓✓		✓		✓	✓	
d.	Artist-in-residency programs		16				✓				✓			✓	✓
e.	Teacher training (pre-certification; in-service training)		13		✓		✓		✓		✓			✓	
f.	Graduation requirements		9				✓				✓				
g.	Other		4				✓								
4.	**CULTURAL FACILITIES**	II	31	2,4	3,4			1,4	2,3		2,3			2,4	5
a.	Funding		28	✓✓	✓				✓		✓			✓✓	✓
b.	Sports facilities/convention centers		15	✓				✓	✓✓		✓			✓	
c.	Art museums		14		✓						✓				
d.	Zoos and aquariums		11		✓										
e.	Establish special tax district		6		✓									✓	
f.	Other		2					✓							
5.	**PUBLIC ARTS ISSUES**	III	29	3	1	1,4	4	2,5					5	5	2
a.	State museum		16	✓										✓	✓
b.	Percent for Art (establish or change program)		12		✓	✓		✓✓							
c.	Obscenity regulations		11			✓	✓						✓		
d.	Maintenance programs for public art works		8										✓		
e.	Dedicated tax		6		✓	✓									
f.	Other		2												
6.	**ENTERTAINMENT INDUSTRY**	IV	26			2,5	5	2,3			4		1	1	
a.	Promotion of filmmaking		19			✓✓		✓✓					✓	✓	
b.	Video sales and rentals to minors		8												
c.	Record labeling		7								✓				
d.	Obscenity regulation of live performances		5				✓								
e.	Other		4				✓								
7.	**NONPROFIT ARTS ORGANIZATIONS**	IV	28	5	4,5		3		5		1		2	3	
a.	Grant oversight mechanisms		14				✓				✓			✓	
b.	Funding		14	✓			✓				✓		✓		
c.	Sales and use tax exemption		11		✓				✓						
d.	Liability issues (e.g., directors, trustees, volunteers)		9												
e.	Facilities development		8		✓		✓		✓					✓	
f.	Other		2												
8.	**INDIVIDUAL ARTISTS**	V	10			2			4				4		
a.	Obscenity regulations		7			✓			✓				✓		
b.	Other		4												
c.	Moral rights		3						✓						
d.	Artists live/work spaces		1												
e.	Toxic substances in art supplies		1												
f.	Taxation		1												

NAT'L RANK = National priority level (see Introduction)

STATE TOTAL = Number of states where issue identified as a top arts & cultural resources priority

Note: No responses were received from (or issues identified for): DC, FL, KS, MA, NM, and RI.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

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Arts and Cultural Resources

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**1,5**	**1,1**	**1**		**2,4**	**3,4**		**3**	**1**	**1,1,2**	**3**	**5**			**3**	**2,3**	**1,1**		**1,2**	**1**
a.	✓✓	✓✓	✓		✓✓	✓✓		✓	✓	✓✓✓		✓			✓	✓	✓✓		✓✓	✓
b.	✓✓		✓		✓					✓✓	✓	✓			✓	✓	✓		✓	
c.									✓	✓					✓		✓		✓	✓
d.					✓	✓				✓✓							✓		✓	
e.					✓✓	✓				✓						✓				
f.	✓									✓					✓					
g.											✓									
2.	**2,5**	**2,2**			**2**	**3,4**		**2**	**1,2,4**	**1,4**	**2**	**2**	**4**	**4**	**1**	**1,1,4**	**3,4**		**4**	**2**
a.	✓	✓✓			✓	✓✓		✓	✓✓✓	✓	✓	✓	✓		✓				✓	
b.	✓✓				✓	✓			✓✓	✓✓		✓		✓	✓	✓	✓✓			✓
c.	✓	✓									✓				✓	✓	✓		✓	
d.	✓✓				✓	✓✓				✓				✓	✓					
e.	✓	✓											✓		✓					✓
f.																				✓
3.	**3,3**	**3,5**	**3**		**3,3**				**2,3**	**3,4**	**4**		**2**	**2**	**2**	**2**			**5**	**1,3,4**
a.			✓		✓✓				✓	✓			✓		✓	✓			✓	
b.	✓	✓			✓				✓✓	✓	✓			✓					✓	✓✓
c.					✓					✓					✓	✓			✓	
d.	✓✓	✓			✓				✓						✓					✓✓
e.	✓				✓				✓	✓					✓					
f.											✓									
g.														✓						
4.	**4**	**4,4**	**4**		**1**	**1,5**		**1**	**1,3,5**	**1,2,3**	**1**	**1**		**3**		**2**	**2,4**		**4,5**	**1,2,4**
a.	✓	✓✓	✓		✓	✓✓		✓	✓✓✓	✓✓✓	✓	✓		✓			✓✓		✓✓	✓✓
b.					✓	✓		✓		✓		✓					✓			✓✓
c.	✓	✓	✓		✓				✓	✓✓✓										✓✓
d.		✓	✓			✓		✓		✓				✓			✓			✓
e.										✓		✓								
f.																			✓	
5.	**1,2**	**3,5**	**2**			**2**			**2,3,4**	**2,4,5**	**2**		**5**	**5**		**1**	**2**		**2**	**3,3,5**
a.	✓✓	✓	✓			✓			✓✓✓								✓		✓	✓
b.	✓✓									✓				✓		✓	✓			✓✓
c.		✓									✓		✓							✓
d.	✓					✓			✓								✓			✓
e.	✓									✓✓										
f.																				
6.					**5**	**1,2**			**5**		**5**	**3**	**1**	**1**	**4**	**5**	**5**		**3,3**	**4,5**
a.					✓	✓					✓		✓	✓	✓	✓			✓	✓
b.						✓✓			✓			✓	✓		✓					✓
c.						✓✓						✓					✓			
d.													✓							✓
e.						✓													✓✓	
7.	**4**		**5**		**1,4**	**5**			**4**	**3,5**	**1**	**4**					**3,5**		**1**	**2**
a.	✓		✓		✓✓	✓				✓✓							✓		✓	✓
b.					✓✓					✓✓	✓						✓		✓	✓
c.						✓			✓	✓	✓	✓								
d.	✓					✓						✓								
e.	✓				✓															
f.																	✓			
8.					**5**								**3**		**5**					
a.					✓								✓							
b.															✓					
c.					✓															
d.																				
e.					✓															
f.					✓															

1.2.3.4.5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Arts and Cultural Resources

	MAJOR ISSUE AREAS **Subissues**	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**STATE ARTS AGENCIES**	1,1,2	1,1			2	3,5	1	1,1			1	2,3	3	1,4,5
a.	Funding	✓✓✓	✓✓			✓	✓	✓	✓✓				✓✓	✓	✓✓✓
b.	Local/regional programs	✓✓				✓		✓					✓	✓	✓✓
c.	Administration		✓						✓✓			✓			
d.	Grant oversight mechanisms							✓	✓				✓		✓
e.	Economic impact studies						✓							✓	
f.	Programming	✓												✓	✓
g.	Other		✓						✓				✓		
2.	**HISTORIC PRESERVATION**	2,3	5	2		1,4	3		3,3	1	1	2	1,2	2	2,2,2
a.	Funding	✓✓				✓			✓	✓			✓✓	✓	✓
b.	Capitol building preservation		✓			✓	✓				✓		✓	✓	
c.	Grave preservation/Indian remains reburial	✓							✓			✓	✓✓		✓
d.	Tax incentives for preservation	✓		✓			✓		✓✓				✓		
e.	Archeological guidelines											✓	✓✓	✓	✓
f.	Other		✓			✓✓							✓	✓	✓✓
3.	**ARTS IN EDUCATION**	1,2,3	2	4		1,5	1	5	2	3			1,3,5	1	3,4,5
a.	Gifted and talented programs	✓					✓	✓					✓✓✓		✓✓✓
b.	Funding	✓	✓			✓		✓	✓				✓	✓	
c.	Magnet schools	✓	✓			✓				✓			✓✓✓		
d.	Artist-in-residency programs	✓✓	✓				✓						✓	✓	✓
e.	Teacher training (pre-certification; in-service training)	✓✓		✓											✓
f.	Graduation requirements	✓							✓				✓	✓	✓
g.	Other					✓			✓						
4.	**CULTURAL FACILITIES**	4	4	1		2		2	4,4				1,5		1,3
a.	Funding	✓	✓			✓		✓	✓				✓✓		✓
b.	Sports facilities/convention centers								✓				✓✓		
c.	Art museums			✓				✓	✓✓						✓✓
d.	Zoos and aquariums							✓							
e.	Establish special tax district												✓		
f.	Other														
5.	**PUBLIC ARTS ISSUES**	3,4	3,5	5		3,5	1,2		2				4,4		1
a.	State museum	✓	✓				✓		✓						✓
b.	Percent for Art (establish or change program)	✓				✓	✓								
c.	Obscenity regulations	✓	✓			✓							✓✓		
d.	Maintenance programs for public art works			✓									✓		
e.	Dedicated tax												✓		✓
f.	Other	✓							✓						
6.	**ENTERTAINMENT INDUSTRY**	5	2			4	2	3	5				3	5	
a.	Promotion of filmmaking	✓				✓		✓	✓				✓	✓	
b.	Video sales and rentals to minors												✓	✓	
c.	Record labeling		✓					✓					✓		
d.	Obscenity regulation of live performances		✓										✓		
e.	Other							✓							
7.	**NONPROFIT ARTS ORGANIZATIONS**	5	4	3			4	4	5	2			4,5		3
a.	Grant oversight mechanisms		✓					✓	✓						
b.	Funding		✓						✓				✓		✓
c.	Sales and use tax exemption	✓								✓			✓		
d.	Liability issues (e.g., directors, trustees, volunteers)	✓		✓			✓		✓						✓
e.	Facilities development		✓				✓								
f.	Other							✓							
8.	**INDIVIDUAL ARTISTS**		3										2	4	
a.	Obscenity regulations												✓		
b.	Other		✓										✓	✓	
c.	Moral rights												✓		
d.	Artists live/work spaces													✓	
e.	Toxic substances in art supplies														
f.	Taxation														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue.

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Children, Youth and Families

There is a growing consensus among state legislators about the social, human and fiscal consequences of ignoring the plight of the burgeoning population of vulnerable children and families. The high ranking afforded the issue of at-risk youth in both this year's and last year's *State Issues* survey results reflects concern about declining national indicators of child well-being, including rates of teenage pregnancy, school dropouts and substance abuse. Public assistance, child welfare, child care and general children and family services rank closely behind that of at-risk youth. Increasingly, lawmakers are recognizing that the populations served by various service systems overlap and that certain risk factors--such as poverty, substance abuse, teenage pregnancy and child abuse--are interrelated.

At-Risk Youth

State Issues respondents from 37 states have ranked the problem of at-risk youth as a top priority among children, youth and families issues. The strong showing of the specific issues of teenage pregnancy, juvenile justice, dropout prevention and substance abuse reflects lawmakers' increasing recognition of the public costs associated with such behavior and their implications for the country's future economic health. To remain internationally competitive, say an increasing number of lawmakers, the nation's workforce must be more productive to keep pace with technological change, the aging of the U.S. population and an increasingly global economy.

A recent federal report on teenage pregnancy found that the rate of teenage motherhood in the United States has reached its highest level in 15 years; the study also concluded that one in four babies born in 1989 had an unmarried mother. Teenage child bearing places youth more at risk of school failure and long-term welfare dependency. Consequently some states are starting programs specifically geared to this at-risk population. Ohio's Learning, Earning, and Parenting (LEAP) program requires pregnant and parenting teens on welfare to attend school on a regular basis. About 28 other states will make programs for pregnant teens a high priority in this year's sessions.

Lawmakers are also questioning the efficacy of their overcrowded juvenile justice systems in rehabilitating youthful offenders. In Colorado, for example, lawmakers required the development of criteria for institutional placements and encouraged the development of alternative services. Lawmakers in over half the states are likely to consider the issue of at-risk youth in the juvenile justice system, according to the *State Issues* survey.

Public Assistance

State policymakers increasingly face problems arising from the growing poverty of American families, and their efforts to deal with these problems are reflected in this year's survey results: most of the states in session will make public assistance programs a top priority.

The national caseload for Aid to Families with Dependent Children (AFDC) grows monthly. Child support enforcement, medical assistance and homelessness are issues that often overlap AFDC to present a tangled picture of rising human need in the states. Due to dwindling state revenues, public assistance programs are being reviewed to ascertain the most cost-effective components that can best contribute to increased individual and family independence.

Consequently, child support enforcement and establishment of paternity are being rigorously addressed to ensure that children receive the parental support that they legally deserve; over half the states will focus attention on child support programs this year.

The federal Family Support Act of 1988 is being implemented to provide education and job training to public assistance recipients; states are cutting back on important general assistance programs and continue to battle over eligibility and standards of need. In solving the problem of poverty in America, the states seek more support for federal programs from the federal government. Coordination of services will continue to play a key role in public assistance debates in 1992.

Child Care/Early Childhood Education

States are facing the complicated task of implementing several major federal programs for young children. The programs have conflicting eligibility requirements, reimbursement guidelines and quality controls. This challenge is clearly reflected in this year's *State Issues* survey results, which show, as with at-risk youth and public assistance programs, that most states in session this year will address the issue.

The public school role in child care is likely to be considered in about half the states this year. That role is expanding to include both before- and after-school care for school children and full-day programs for preschoolers.

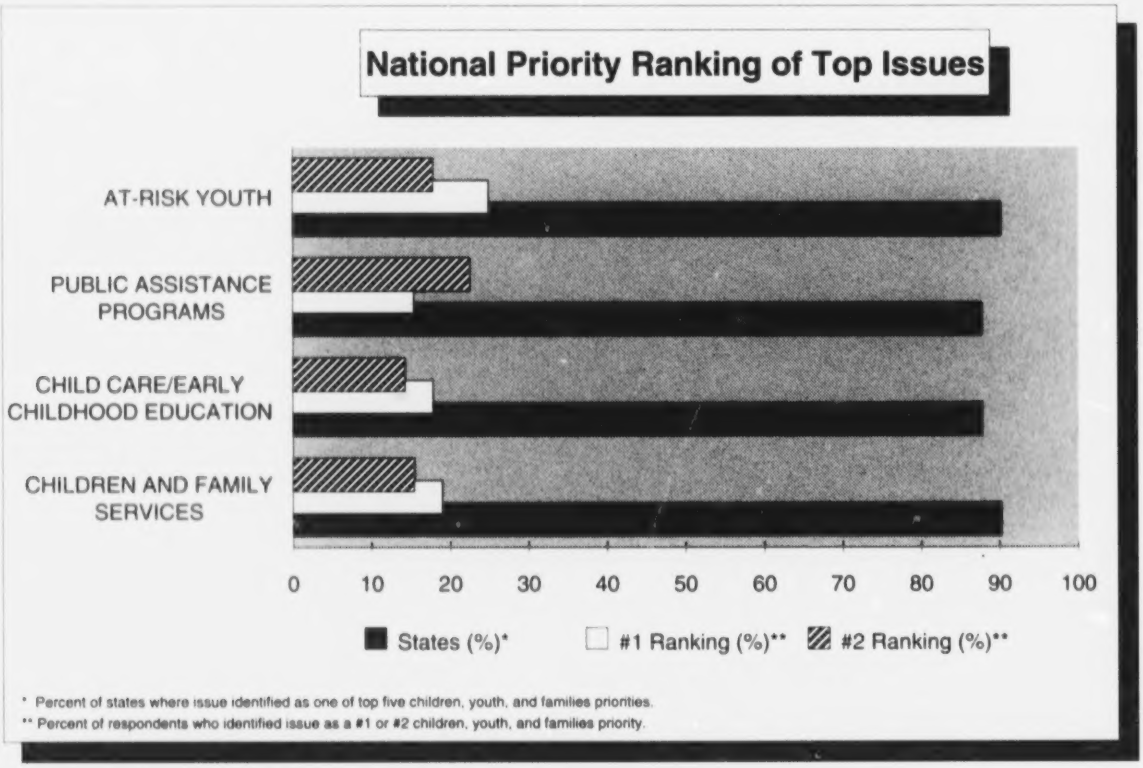
Early intervention programs for disabled infants, toddlers and three- to five-year-olds also rank high on the list of child care and early childhood education issues for 1992 legislative agendas. Participation in the federally funded Part H program for infants and toddlers was a concern for many states last year. This may change with the recent reauthorization that allows for a longer time frame.

Respondents in 20 states indicated implementation of the federal Child Care and Development Block Grant and at-risk IV-A money will be a high priority this year. State lawmakers' focus on this issue reflects their interest in accessing the new federal money in a timely manner, as well as their concern that accompanying federal regulations prevent states from using significant portions of these funds to improve the quality of state-supported child care services. State legislators have been working to implement child care programs under the Family Support Act since it was passed in 1988. Lawmakers are currently searching for mechanisms to coordinate services under these separate federal funding streams.

Children and Family Services/Child Welfare

Across the country the recognition of the need for major overhauls of children's services, particularly the need to redirect the current emphasis on crisis intervention to more effective early intervention and prevention, comes at a time when state budgets are strapped for cash. Revenue shortfalls in 33 states have forced cuts in family services in many jurisdictions, and lawmakers have been forced to consider new service alternatives that promise greater cost effectiveness.

State Issues respondents in 28 states indicate that reorganizing services will be among their top children and families priorities in the upcoming sessions, as will financing of family services in 22 states. In the child welfare field, over half the states in session this year will be considering family preservation services as an in-home service alternative to costly residential care programs. Child welfare issues in general will be a topic of discussion in at least 34 states; of those, 30 states will look



* Percent of states where issue identified as one of top five children, youth, and families priorities.

** Percent of respondents who identified issue as a #1 or #2 children, youth, and families priority.

at foster care issues, and 15 will consider adoption legislation.

Other Priority Issues

Other top priority issues for 1992 sessions identified by *State Issues* respondents include child pornography in Maryland, child health care in Pennsylvania and assessment of the Children's Services Plan in Tennessee.

NCSL Staff Contacts: Shelley Smith, Children, Youth and Families (Denver Office) and Cate Sonnier, Child Care (Denver Office)

Children, Youth and Families

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**AT-RISK YOUTH**	I	37	1,1,2	4	1	2,5	1,5			1	2		1,1,3,5	2,3,3
a.	Teenage pregnancy		28	✓✓✓			✓				✓	✓		✓✓✓	✓✓
b.	Juvenile justice		28	✓✓	✓	✓	✓	✓			✓	✓		✓✓	✓✓✓
c.	Dropout prevention		26	✓✓				✓			✓	✓		✓	
d.	Substance abuse		22	✓			✓	✓			✓			✓✓	✓✓
e.	Youth employment		8								✓			✓	
f.	Other		8	✓										✓	
2.	**PUBLIC ASSISTANCE PROGRAMS**	II	36	3,4	5		3,4	2,5	1		3			1,2,4	2
a.	Child support enforcement		27	✓✓	✓			✓✓						✓	✓
b.	General assistance programs		19				✓✓	✓	✓		✓				✓
c.	Eligibility		17				✓	✓✓	✓						✓
d.	Compliance with 1988 Family Support Act		17	✓							✓				✓
e.	Increasing benefits		16		✓			✓	✓		✓			✓✓	
f.	Homeless assistance		15				✓	✓			✓			✓✓✓	✓
g.	Other		8											✓	
3.	**CHILD CARE/EARLY CHILDHOOD EDUCATION**	II	36	1,2,5	1	2	1	2,3,4	5		2	1		1,3,4	4,5
a.	Public school role in child care		26	✓	✓	✓	✓	✓				✓		✓	✓
b.	Programs for handicapped/special needs children		20				✓	✓✓	✓		✓				
c.	Implement Child Care and Development Block Grant		20	✓										✓	✓
d.	Implement 1988 Family Support Act		19	✓				✓			✓			✓✓	✓
e.	Employer-supported child care		16	✓				✓				✓		✓	
f.	Head Start		15	✓✓✓	✓						✓	✓		✓✓	
g.	Liability and regulation		11				✓							✓✓	✓
h.	Other		7												
4.	**CHILDREN AND FAMILY SERVICES**	II	37	3,3	2,2,3,3	1,1	2,2,4,4	1,1,3,3	2,2		5,5	4,4		5,5	1,1,5,5
a.	Reorganization of administrative structure		28	✓		✓	✓	✓	✓			✓			✓
b.	Financing		22	✓	✓✓		✓✓	✓✓	✓		✓				✓
c.	Inter-systems service coordination		22	✓			✓	✓	✓					✓	✓
d.	Other		6												
5.	**CHILD WELFARE**	III	34	4,5	1,3		3,5	2,4	4			5		3,3,5	1,1,3
a.	Foster care/out-of-home placement		30	✓✓	✓✓			✓				✓		✓✓✓	✓✓
b.	Family preservation/in-home services		30		✓✓		✓	✓✓	✓			✓		✓✓✓	✓✓
c.	Adoption		15	✓			✓								✓
d.	Other		10												✓
e.	Pediatric AIDS		9				✓					✓			
6.	**ABUSE AND NEGLECT**	III	34	3	2,5	2	1		3		4	3		2,4	4,4,5
a.	Child protective services		23	✓	✓	✓			✓		✓				✓✓
b.	Prevention and treatment programs		21	✓	✓✓							✓		✓	✓
c.	Drug-abused babies		20				✓				✓	✓		✓✓	✓✓
d.	Other		4												
7.	**FAMILY LAW AND FAMILIES ISSUES**	IV	26	2,4	4	1		1						2,2	2
a.	Family support and education programs		20	✓	✓	✓		✓						✓✓	✓
b.	Domestic violence		18	✓✓	✓									✓✓	
c.	Custody and visitation		11	✓✓				✓							
d.	Family law courts		11	✓				✓							
e.	Parental and family leave		11	✓											✓
f.	Other		3												
g.	Surrogacy		1												✓

NAT'L RANK = National priority level (see Introduction).
STATE TOTAL = Number of states where issue identified as a top children, youth & families priority.
Note: No responses were received from (or issues identified for): DC, GA, MA, NM, and PR.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).
✓ = Respondent from that state who selected the subissue.

Children, Youth and Families

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	3,3,3		4	1,4	4			3	4	3,4,5	2,5	1	1	3	5	2,4,5	2,5		1,3	4,5,5
a.	✓		✓		✓				✓		✓	✓	✓	✓	✓	✓✓	✓		✓	✓✓
b.					✓			✓	✓	✓	✓					✓✓			✓	✓
c.	✓			✓	✓				✓	✓	✓	✓	✓	✓		✓	✓			✓✓
d.	✓				✓					✓✓	✓	✓			✓		✓✓		✓✓	
e.					✓						✓			✓						
f.				✓✓						✓	✓					✓				
2.	1,2,4	1,1,4		2	2	3		5	2	1,1,3	1,2,3	2	2	1		2	1,4		1,4	1,2,2
a.	✓	✓			✓	✓			✓	✓	✓✓	✓	✓	✓		✓				✓✓
b.	✓	✓✓✓							✓	✓✓✓	✓✓	✓	✓				✓			✓
c.	✓	✓			✓					✓✓✓	✓✓		✓						✓✓	✓
d.		✓						✓			✓		✓	✓			✓		✓	
e.	✓	✓			✓	✓					✓						✓			
f.		✓			✓				✓	✓	✓	✓							✓	
g.	✓	✓✓		✓															✓	
3.	1,1,2	2,3,4	3	3	1					2,4	1,1	3,3	4	2		2	1		4,5	3,3
a.	✓✓	✓	✓	✓	✓					✓	✓	✓		✓					✓	
b.	✓	✓✓	✓	✓	✓						✓✓			✓		✓			✓	
c.	✓✓✓	✓✓			✓					✓✓	✓	✓		✓		✓	✓		✓	✓
d.		✓								✓	✓	✓	✓	✓		✓				✓
e.	✓	✓		✓							✓								✓	✓
f.	✓✓		✓	✓							✓✓					✓				✓
g.	✓	✓	✓									✓✓								
h.	✓	✓✓														✓				
4.	4,4	1,1,2,2,5,5	1,1	1,1,2,2	5,5	2,2			1,1	3,3	2,2,5,5	2,2,5,5		5,5	1,1	2,2,4,4	2,2		2,2,3,3	
a.		✓✓✓	✓	✓		✓			✓		✓	✓✓		✓	✓	✓✓	✓		✓✓	
b.		✓		✓✓	✓					✓	✓✓			✓		✓			✓✓	
c.		✓	✓	✓	✓				✓		✓			✓					✓	
d.	✓	✓✓		✓		✓			✓											
5.	5,5	1,2,3,5	2	3,5					3	1,2,2	3	5	5		4	3,3,3	3,5		2,3	2,4
a.	✓	✓✓✓✓	✓	✓					✓	✓	✓	✓	✓		✓	✓✓	✓		✓✓	
b.	✓✓	✓✓	✓	✓✓					✓	✓✓		✓	✓		✓	✓	✓✓		✓	
c.	✓✓	✓✓✓✓	✓							✓✓✓						✓			✓	✓✓
d.	✓	✓✓							✓											✓
e.		✓		✓												✓	✓			✓
6.	2,4	2,3,5		4		1		1	5	5	4	1	3		3	1,1,2	3,4		1,5	1,3,4
a.		✓✓				✓			✓		✓	✓			✓	✓✓			✓✓	✓✓
b.		✓✓								✓			✓		✓	✓✓	✓		✓✓	✓
c.	✓	✓✓						✓		✓						✓✓	✓✓		✓	✓✓
d.	✓	✓						✓								✓				
7.	5	3,4,4,5	5	5	3			4		4	3,4	4,4		4	2	5,5			2,4	1,5
a.	✓	✓	✓	✓	✓						✓	✓		✓		✓			✓	✓
b.	✓	✓✓	✓		✓					✓	✓✓	✓		✓	✓	✓				✓✓
c.	✓	✓✓✓	✓		✓														✓	✓✓
d.		✓			✓			✓				✓				✓✓			✓	
e.		✓✓✓✓	✓		✓					✓		✓		✓	✓					
f.		✓		✓																
g.																				

1,2,3,4,5 = Rankings given to major issue area by respondents form that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Children, Youth and Families

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**AT-RISK YOUTH**	1,2,4	2,3		4,5	1,2,5	1,2,2,3	2	1,2	1		1,1,2	1,1	3	1
a.	Teenage pregnancy	✓	✓✓		✓	✓	✓✓ ✓	✓	✓✓			✓	✓		
b.	Juvenile justice	✓✓✓			✓✓	✓✓	✓✓✓	✓	✓	✓		✓✓✓	✓	✓	✓
c.	Dropout prevention	✓	✓✓		✓	✓	✓✓	✓	✓✓	✓			✓		
d.	Substance abuse	✓✓✓			✓✓		✓	✓	✓✓	✓		✓✓		✓	
e.	Youth employment						✓		✓				✓		
f.	Other	✓				✓✓									
2.	**PUBLIC ASSISTANCE PROGRAMS**	3,5,5	2		2	2,4	2,3,4	3	5		1	4,5	4	2	2
a.	Child support enforcement	✓✓✓	✓		✓		✓	✓	✓		✓	✓		✓	✓
b.	General assistance programs						✓✓	✓	✓		✓	✓			
c.	Eligibility				✓		✓✓		✓		✓			✓	
d.	Compliance with 1988 Family Support Act	✓✓	✓		✓	✓✓			✓		✓				✓
e.	Increasing benefits	✓			✓		✓	✓	✓						
f.	Homeless assistance	✓	✓									✓			
g.	Other				✓		✓						✓		
3.	**CHILD CARE/EARLY CHILDHOOD EDUCATION**	1,2,2	1,4,4		5	3,4,5	1,1	5	2	4	3	5	3		4
a.	Public school role in child care	✓	✓✓			✓	✓	✓	✓	✓			✓		
b.	Programs for handicapped/special needs children	✓✓✓	✓✓		✓		✓		✓	✓					✓
c.	Implement Child Care and Development Block Grant	✓✓	✓✓		✓		✓			✓			✓		
d.	Implement 1988 Family Support Act	✓	✓✓		✓		✓		✓	✓					
e.	Employer-supported child care	✓	✓			✓✓	✓		✓	✓					
f.	Head Start	✓✓	✓						✓	✓					
g.	Liability and regulation		✓✓			✓	✓✓			✓					
h.	Other	✓				✓✓					✓	✓			
4.	**CHILDREN AND FAMILY SERVICES**	1,1	1,1,4,4		1,1,1,1	1,1,3,3	3,3,5,5	4,4	1,1	2,2		1,1,2,2,3,3	3,3	1,1	3,3
a.	Reorganization of administrative structure				✓	✓✓	✓	✓		✓		✓✓	✓	✓	✓
b.	Financing	✓	✓✓			✓✓		✓	✓	✓					✓
c.	Inter-systems service coordination	✓	✓		✓		✓	✓		✓		✓	✓		
d.	Other						✓								
5.	**CHILD WELFARE**	4	1,2,3		2,3	2,3	2,5		4,4	3	4	2,3,4	2,4	4	5
a.	Foster care/out-of-home placement	✓	✓		✓✓	✓	✓✓		✓✓	✓	✓	✓✓		✓	✓
b.	Family preservation/in-home services	✓	✓		✓✓	✓	✓		✓✓	✓	✓	✓✓	✓✓		✓
c.	Adoption		✓✓✓		✓		✓		✓✓			✓			
d.	Other		✓		✓	✓	✓		✓						
e.	Pediatric AIDS		✓✓						✓✓						
6.	**ABUSE AND NEGLECT**	3,4,5	3,5		3,4	1,4,5	4		3	5	5	3,4,5	2,5		
a.	Child protective services	✓✓	✓✓		✓	✓✓	✓		✓		✓	✓✓			
b.	Prevention and treatment programs	✓✓✓	✓		✓✓	✓✓	✓		✓			✓✓✓	✓✓		
c.	Drug-abused babies	✓✓	✓✓		✓✓	✓✓				✓		✓✓	✓		
d.	Other														
7.	**FAMILY LAW AND FAMILIES ISSUES**	3	5				1,3,4		3,5		2			5	
a.	Family support and education programs	✓	✓						✓✓						
b.	Domestic violence	✓					✓✓		✓✓					✓	
c.	Custody and visitation		✓				✓✓		✓✓						
d.	Family law courts						✓		✓		✓				
e.	Parental and family leave						✓				✓				
f.	Other								✓						
g.	Surrogacy														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)
✓ = Respondent from that state who selected the subissue

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Commerce and Banking

Knowing that federal banking regulations and the operation of financial services industries in their states could be changed by Congress in the next few months, state legislators have cautiously determined their top priorities in commerce and banking for 1992. And if the past is any indicator, changes in the banking industry at the federal level may produce pressure for conforming changes on the state level as well. However, state legislators will need to lower their expectations for meaningful bank reform coming out of Washington in 1992. Instead of performing major reconstructive surgery, Congress has listened to lobbyists' second opinions, and only the least intrusive measures will prevail: providing a necessary $70 billion transfusion to the bank-insurance fund of the Federal Deposit Insurance Corporation (FDIC), and some tinkering with rules to limit future bank losses by giving regulators new powers to go after weak, unprofitable banks.

State legislators have planned their 1992 commerce and banking agendas, partially based on Congress' inactions and ever mindful of these dire predictions:

- Nearly 140 banks are expected to fail by year's end, involving a projected loss of almost $73 billion;

- Over 200 banks are expected to fail by the end of 1992, with a projected loss of over $86 billion;

- Of the 12,100 banks still in business near the end of 1991, almost 1,600 are unprofitable and in need of capital infusion;

- An estimated 750 of those 12,100 banks will also fail in the next five years.

Therefore, of the 35 states responding to the commerce and banking section of this year's *State Issues* survey, 30 listed as a top priority on their banking agendas the issue of safety and soundness of financial institutions.

Increasingly aware that pocketbook issues usually decide elections, responding policymakers indicated that consumer protection and consumer banking also are among their top priorities for 1992. This is not surprising for an election year, with taxpayers increasingly viewing themselves as the true victims in the savings and loans bailout as it grinds on with another $80 billion proposed for 1992 bailout projects.

Safety and Soundness of Financial Institutions

Of the 30 states indicating that safety and soundness will be a top priority, seven states will consider consolidation of regulatory agencies, eight will look at increased agency funding, and seven will propose conversion of financial institutions. Pennsylvania and Wisconsin are among the states that will consider savings banks charter conversions for their weakened savings and loans. Conversion to state savings banks allows weak thrifts to realize savings in fee payments, diversify their loan portfolios and eliminate the stigma attached to the S and L name on their door. In 1991 these charter conversions were put in place in Tennessee, North Carolina, New Jersey and Virginia.

More states may be taking creative approaches in assisting their financial institutions in 1992, following the leads of Indiana and Connecticut. Indiana enacted a 1991 law establishing a financial institutions study commission to examine the competitive position of and the economic role served by the state's financial institutions and to look at statutory, operational and structural restrictions that have negative economic consequences or that may invite federal pre-emption. To provide Connecticut's state banks with an infusion of capital, legislation was passed in 1991 to establish a public-private bank recapitalization program, the Connecticut

Bank Funding Corporation. The act authorizes the state treasurer to invest up to $10 million of the state's trust funds in the corporation's securities. The corporation can then invest in any security issued by any Connecticut state-chartered bank.

Consumer Protection

As state legislators watched their commercial banks reel from billions of dollars worth of debt from bad real estate and corporate loans, the only bright spot on the horizon had been the retail consumer. Excluding mortgages, consumer lending--which jumped over 30 percent between 1985 and 1990 to over $400 billion--has been the ray of sunshine in an otherwise bleak atmosphere of commercial bank write-downs and write-offs. Recently, however, consumer confidence has waned with the onslaught of a full-blown recession and rising unemployment. Seeking to assist consumers in regaining some of their earlier confidence, legislators enacted over 300 consumer protection laws in 1991, and at least 33 states will be seriously addressing consumer protection issues in 1992.

Tighter regulation of consumer credit reporting agencies is a major concern in at least 23 states, including New York and Illinois. This privacy and credit issue was sparked by a lawsuit filed by the New York attorney general in July, along with 13 other states, against TRW, Inc., one of the three largest consumer credit reporting agencies in the country. TRW was charged with misleading consumers, failing to maintain accurate consumer reports and other violations of the State Fair Credit Reporting Act (FCRA). Like New York, over one-third of the states have their own FCRA, modeled after the federal law. In the 1992 sessions, many of the states will, like Washington, consider enacting their own FCRA, or, like California and Illinois, consider amending their existing laws either to mandate free reports and quick service or to make it easier to sue credit bureaus that retain incorrect data.

Twenty-one states responding to the *State Issues* survey indicated they plan to consider legislation in such areas as contract regulation, settlement of disputes, and requirements for written agreements, particularly in the construction and funeral industries. Over 50 laws were passed in the 1991 sessions to regulate these practices, and over 70 laws were passed to control deceptive advertising, misleading labeling and warranty adjustment programs.

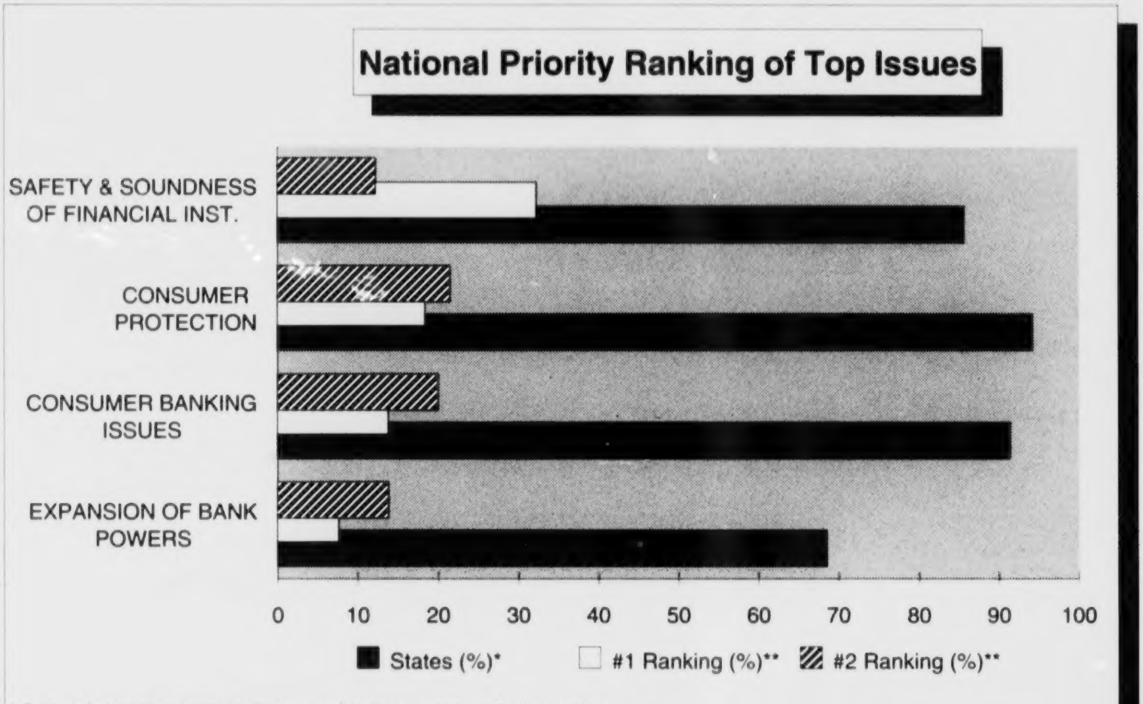
A dozen states indicated they will propose laws to protect citizens from fraud and abuse while allowing charities to raise needed funds. Recent Supreme Court rulings, as well as lower court rulings, have struck down a number of state laws on the grounds that they infringe on first amendment rights to free speech.

Consumer Banking Issues

Most consumers regularly use check cashing, consumer loan and home mortgage financial services. However, an estimated 20 million U.S. households have no relationship with a bank and yet spend billions of dollars on largely unregulated financial services each year. This accounts, in part, for a majority of responding states identifying consumer banking as an important priority among commerce and banking issues.

Some of these 20 million unserved households showed up in a recent release of data from the Home Mortgage Disclosure Act (HMDA). Although not a comprehensive portrait of home mortgage and home improvement lending, the data revealed enough disparities in loans to low-income and minority neighborhoods to motivate many states to consider enhanced Community Reinvestment Act (CRA) requirements for their 1992 agendas. At least half of the states currently have some form of CRA, have amended their interstate banking laws to include community reinvestment provisions, or have community reinvestment stipulations in their programs linking the deposit of state funds in complying local banks.

Besides not being able to obtain home mortgages, many people have no checking



National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five commerce and banking priorities.

** Percent of respondents who identified issue as a #1 or #2 commerce and banking priority.

accounts. Following the lead of Connecticut, New Jersey and New York, nine states, including Washington and Illinois, enacted laws in 1991 regulating some of the over 6,000 mostly unregulated check-cashing businesses. Another dozen states will have this issue on their 1992 agendas. The goal is to provide a means of regulating the fees charged to mostly low-income customers for check cashing and money orders.

After consumers obtain a mortgage, they may encounter the problem of the mortgage company overcharging for escrow deposits collected from homeowners to cover such items as taxes and insurance payments. Lawsuits were filed in late 1990 by six states' attorneys general offices, including Iowa and Massachusetts, charging that mortgage companies were violating the federal Real Estate Settlement Procedures Act (RESPA) which limits the amount a mortgage company can hold in escrow. In response to so-called "escrow padding," at least 11 states plan to help homeowners by requiring interest be paid on these escrow accounts. Fourteen states currently mandate that mortgage companies pay 2 percent to 5 percent interest on this money.

Most consumers do not realize how complex their credit arrangements can be with hidden fees and charges. Fifteen states this year, according to survey response, will seek to provide consumers with more complete disclosures of fees and interest rates at the time they file a credit application. At least five states, including Maine and North Carolina, established greater disclosure requirements in their 1991 legislation.

Other Priority Issues

Other priority issues identified by survey respondents include interstate banking and branch banking in Colorado, and consideration of the Model Business Corporation Act in Utah.

NCSL Contact: Bob Frohling (Denver Office)

Commerce and Banking

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**SAFETY/SOUNDNESS OF FINANCIAL INSTITUTIONS**	**I**	**30**	**5**	**3,4**	**3**	**1**		**1,4**		**1**	**2**	**5**		**1,1**
a.	Increase funding for state regulatory agencies		8		✓		✓				✓				✓✓
b.	Allow takeovers of failing institutions by out-of-state firm		7						✓						
c.	Consolidate regulatory agencies		7				✓								✓
d.	Increase capital-to-asset ratios for state-chartered institutions		7	✓					✓						
e.	Allow savings and loans to convert to savings banks		7		✓✓		✓								
f.	Increase reserve requirements for nonperforming loans		6								✓				
g.	Other		6						✓						✓
h.	Restrict public deposits/linked deposits		5						✓						
2.	**CONSUMER PROTECTION**	**II**	**33**	**1,2**	**1,1**	**2**	**2**	**2**	**5**		**2**	**1**	**1**		**3,4**
a.	Regulation of consumer credit report information		23	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓
b.	Regulation of fraudulent business practices		21	✓	✓	✓	✓				✓		✓		
c.	Regulation of charity solicitations		12	✓	✓	✓									✓
d.	Product safety		7	✓											
e.	Other		5					✓							✓
f.	Lemon laws		5	✓✓		✓									
g.	Item pricing of products		4			✓									
3.	**CONSUMER BANKING ISSUES**	**II**	**32**	**1,3**	**2,2**	**1,1**	**5**	**5**	**2,3**		**1,3**	**3**	**3**		**3**
a.	Enhanced community reinvestment requirements		18			✓	✓	✓			✓		✓		✓
b.	Increased disclosure (fees, interest rates, etc.)		15	✓✓		✓	✓		✓		✓	✓			
c.	Regulation of check-cashing businesses		12			✓		✓	✓		✓				
d.	Limits on service charges to low-income customers		11	✓		✓			✓						
e.	Require interest be paid on mortgage escrow accounts		11	✓	✓	✓			✓				✓		
f.	Establish lifeline bank accounts		5				✓				✓				
g.	Other		2		✓										
4.	**EXPANSION OF BANKS' POWERS**	**III**	**24**		**5**		**3**		**2**		**2,5**		**2**		**2**
a.	Allow banks to sell insurance		15				✓				✓		✓		✓
b.	Allow banks to sell securities		12						✓				✓		✓
c.	Allow banks to underwrite insurance		8		✓						✓				
d.	Allow banks to sell real estate		7												
e.	Allow banks to engage in real estate development		6												
f.	Allow banks to underwrite securities		6						✓						
g.	Other		4				✓				✓				
5.	**CREDIT CARDS**	**III**	**25**	**3**	**4**			**4**	**3,4**		**3,5**	**5**	**4**		**5**
a.	Increase/decrease interest rate ceiling		14	✓				✓	✓		✓	✓	✓		
b.	Protect privacy of cardholders		14	✓				✓			✓✓	✓	✓		✓
c.	Indexed floating interest rate ceiling		4						✓		✓				
d.	Other		4						✓		✓✓				
e.	Abolish interest rate ceiling		3								✓				
f.	Restrict interstate transportation of fees		3								✓				
6.	**ANTI-DISCRIMINATION LAW**	**IV**	**18**	**2,4**	**3**	**4**		**3**	**1,5**			**4**			**4**
a.	Handicapped discrimination		6	✓✓	✓										
b.	Other		6		✓			✓	✓						✓
c.	Minority contracting (Richmond v. Croson)		5	✓		✓						✓			
d.	Fair housing (conforming to 1988 Fair Housing Amendment)		5	✓								✓			
e.	Private club discrimination		4												
f.	Discrimination in real property transactions		4	✓		✓			✓						
7.	**CORPORATE REGULATION**	**IV**	**15**					**1**			**4**				**2**
a.	Takeover regulation		6												
b.	Securities regulation		6												
c.	Antitrust regulation		3												
d.	Other		2					✓							✓
8.	**CRIMINAL BANKING PRACTICES**	**IV**	**13**			**5**	**4**				**4**				
a.	Money laundering		8			✓					✓				
b.	Increase penalties for financial institution fraud		8				✓				✓				
c.	Application of RICO statute		2												
d.	Other		2				✓								
e.	Increase in fees/penalties for bad checks		1												

NAT'L RANK = National priority level (see Introduction).

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

STATE TOTAL = Number of states where issue identified as a top commerce and banking priority.

✓ = Respondent from that state who selected the subissue.

Note: No responses were received from (or issues identified for): DC, HI, KS, KY, MA, MO, NE, NM, PR, SC, and WV.

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Commerce and Banking

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	2,3	1,1,3				1,2		1	1,3	1	1,3,4		1,1	3		1	2			2
a.						✓					✓									
b.									✓		✓		✓							
c.		✓✓				✓														
d.		✓				✓					✓		✓							
e.											✓		✓✓							
f.	✓✓	✓				✓														
g.								✓								✓				
h.						✓							✓	✓						
2.	1,2,4	2,3,4,4	1			1,4		3	2	2,4,5	3,4,4		2	4		2	4		1,1	4
a.	✓	✓✓✓				✓		✓			✓		✓			✓			✓✓	
b.	✓✓	✓	✓			✓✓			✓	✓	✓		✓	✓			✓			
c.		✓✓	✓			✓							✓							
d.		✓				✓					✓									
e.																			✓✓	
f.			✓							✓									✓	
g.			✓							✓✓									✓✓	
3.		1,1,2,2	5			2,5		4	1	1,2,3	2,2		3,3	2			5		2	3
a.		✓								✓	✓		✓	✓					✓	
b.		✓✓							✓		✓✓		✓						✓	
c.		✓✓				✓✓					✓						✓		✓	
d.		✓✓	✓			✓							✓						✓	
e.		✓✓						✓		✓			✓✓							
f.		✓✓	✓																✓	
g.																				
4.	2,3	5,5	4			3			5	1,1,3	3,5		2,4						5	1
a.	✓✓		✓							✓✓	✓		✓✓						✓	
b.			✓			✓				✓✓	✓✓		✓						✓	
c.	✓									✓✓									✓	
d.						✓				✓	✓								✓	
e.			✓			✓				✓										
f.										✓✓									✓	
g.		✓✓																		
5.	5	3,3,4,5	2			4			2	2,5	5		5,5	5			3		2,4	
a.						✓				✓	✓		✓✓	✓			✓			
b.	✓	✓✓	✓			✓											✓		✓✓	
c.																				
d.		✓✓																		
e.			✓										✓							
f.																				
6.	1,1		3			3,5		2		4				1						1,5
a.	✓✓					✓														
b.																				✓
c.								✓						✓						
d.			✓			✓														
e.			✓			✓✓		✓		✓										
f.						✓														
7.	4,5	4,5							3,4	4	1,1		4							
a.	✓✓										✓		✓							
b.	✓	✓✓							✓	✓										
c.											✓									
d.																				
8.		2								3	2,5								3	
a.		✓																	✓	
b.										✓	✓									
c.																				
d.																				
e.		✓																		

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue.

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Commerce and Banking

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**SAFETY/SOUNDNESS OF FINANCIAL INSTITUTIONS**	**2**	**3,3**		**1**			**1**			**1**	**1,1,2**	**1,2,3**		**3**
a.	Increase funding for state regulatory agencies							✓			✓				
b.	Allow takeovers of failing institutions by out-of-state firm				✓			✓				✓			
c.	Consolidate regulatory agencies	✓										✓	✓		
d.	Increase capital-to-asset ratios for state-chartered institutions				✓										
e.	Allow savings and loans to convert to savings banks		✓					✓					✓		
f.	Increase reserve requirements for nonperforming loans				✓							✓			
g.	Other		✓									✓			
h.	Restrict public deposits/linked deposits				✓										
2.	**CONSUMER PROTECTION**	**1**	**2,4**				**2,5**	**4**	**2**			**3,3,4**	**1,5**		**4**
a.	Regulation of consumer credit report information		✓				✓		✓			✓✓✓			
b.	Regulation of fraudulent business practices	✓					✓	✓	✓				✓		
c.	Regulation of charity solicitations							✓	✓			✓✓			
d.	Product safety	✓					✓					✓			
e.	Other		✓				✓								
f.	Lemon laws														
g.	Item pricing of products														
3.	**CONSUMER BANKING ISSUES**	**4**	**1,4**		**4**		**2**	**3**			**3**	**2,3**	**4**		**5**
a.	Enhanced community reinvestment requirements	✓					✓				✓	✓✓	✓		
b.	Increased disclosure (fees, interest rates, etc.)		✓				✓	✓				✓			
c.	Regulation of check-cashing businesses		✓✓					✓				✓			
d.	Limits on service charges to low-income customers		✓		✓		✓								
e.	Require interest be paid on mortgage escrow accounts				✓			✓							
f.	Establish lifeline bank accounts														
g.	Other										✓				
4.	**EXPANSION OF BANKS' POWERS**		**5**				**1,3**	**2**		**3**		**5,5**	**2,2,3**		**1**
a.	Allow banks to sell insurance		✓				✓	✓				✓✓			
b.	Allow banks to sell securities						✓	✓				✓			
c.	Allow banks to underwrite insurance							✓				✓✓			
d.	Allow banks to sell real estate						✓✓	✓				✓			
e.	Allow banks to engage in real estate development						✓	✓				✓			
f.	Allow banks to underwrite securities						✓	✓				✓			
g.	Other												✓		
5.	**CREDIT CARDS**		**1,2,3**		**3**		**4**			**1**		**4**	**1,3**		
a.	Increase/decrease interest rate ceiling		✓							✓					
b.	Protect privacy of cardholders				✓		✓								
c.	Indexed floating interest rate ceiling		✓✓										✓		
d.	Other											✓			
e.	Abolish interest rate ceiling														
f.	Restrict interstate transportation of fees				✓		✓								
6.	**ANTI-DISCRIMINATION LAW**	**3**							**1**	**2**			**1,4**		
a.	Handicapped discrimination	✓								✓					
b.	Other												✓		
c.	Minority contracting (Richmond v. Croson)														
d.	Fair housing (conforming to 1988 Fair Housing Amendment)								✓						
e.	Private club discrimination														
f.	Discrimination in real property transactions														
7.	**CORPORATE REGULATION**		**1**		**5**		**3**	**5**	**4**						**2**
a.	Takeover regulation				✓		✓	✓							
b.	Securities regulation						✓	✓							
c.	Antitrust regulation		✓						✓						
d.	Other														
8.	**CRIMINAL BANKING PRACTICES**	**5**			**2**		**1**				**2**	**1,4**			
a.	Money laundering	✓			✓							✓✓			
b.	Increase penalties for financial institution fraud	✓					✓				✓	✓			
c.	Application of RICO statute	✓										✓			
d.	Other										✓				
e.	Increase in fees/penalties for bad checks														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)
✓ = Respondent from that state who selected the subissue

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Economic Development

The 1992 *State Issues* survey results show, not surprisingly, a continued state emphasis on helping distressed areas (especially rural areas), promoting tourism and encouraging exports. The interest of states in a new survey category concerning the scale, quality and accountability of economic development efforts, however, reflects the growing debate about the effectiveness of state economic development efforts.

Distressed Urban and Rural Areas

More than half the states will address the continuing problem of distress in both rural and urban areas in the 1992 legislative sessions. Specifically, legislatures will tackle the persistent problems of poverty and unemployment, affordable housing and economic diversification. Comprehensive approaches to addressing these problems will be a priority on many economic development agendas in 1992.

Survey results indicate that rural development efforts will continue in many states, despite state budget troubles. States are looking at rural areas with a new perspective, and policies are being formulated to encourage the economic diversification and revitalization of rural communities. An example of this approach is the North Carolina Rural Economic Development Center, which is a quasi-public organization established and funded by the legislature that has combined state general funds with private sector support to, among other things, provide financing for rural businesses, capitalize a micro-enterprise loan fund, provide capital for minority economic development, and support programs in leadership development. The center is also involved in a number of infrastructure programs.

Scale, Quality and Accountability

In the past, economic development has been a counter-cyclical issue in state public policy: When a state went into a recession, the legislature usually created economic development programs and appropriated funds. In 1991, the blush wore off economic development in some states. For example, Illinois, Iowa, Kansas, Michigan and North Carolina substantially cut economic development agency budgets and laid off staff.

At the same time, the field of state economic development began, in 1991, to undergo its most profound shift in thinking since the late 1970s and early 1980s. This debate will likely have a significant impact on 1992 legislative discussions about the effectiveness of existing or proposed programs.

Much of this debate centered on the idea of a "Third Wave" in state economic development that offered new principles to increase the scale, quality and accountability of state efforts (see "The Third Wave of Economic Development" in the November 1991 issue of NCSL's *State Legislatures* magazine). One guiding principle of the Third Wave is top-down strategic vision combined with bottom-up, market-driven action.

Specifically, policymakers in 1992 are likely to consider such proposals as fostering flexible manufacturing networks, promoting community-based economic development and cooperation, encouraging interstate and intrastate regional collaboration on economic development, and placing strategic planning in a quasi-public organization.

The most important state initiative in economic development in 1991 probably took place in Oregon, where the legislature mandated a sectorial approach to state economic development. The state changed its role from being a direct provider of economic development services to challenging and providing a catalyst to the state's major industries to organize themselves to help increase their competitiveness. The secondary wood products sector is the first in which the new approach will be tried. A major component of this strategy is encouraging small- and medium-sized firms to form flexible manufacturing networks, which are used in Europe, to increase the competitiveness of firms in ways that an individual firm cannot achieve on its own.

Kentucky will debate in 1992 perhaps the most significant state initiative in economic development when it considers a bill to create the Kentucky Economic Development Partnership. If passed, the Bluegrass State will become the first to virtually remove the economic development function from state government and place it in a quasi-public organization. (The proposed partnership also embodies many Third Wave principles.)

Another major innovation, also in Oregon, involves the use of "benchmarks" to measure a state's progress toward its strategic goals. Using more than 150 indicators, Oregon is trying to assess its overall progress in the areas of economic development, education, environment, social welfare and quality of life--and then hold its public and private institutions accountable for their efforts. A growing number of states are studying the benchmark system for possible adoption.

Tourism Administration and Funding

More than half the states plan to consider tourism issues in 1992 sessions. Tourism is the world's largest industry, reaching $2.7 trillion worldwide in 1990. Naturally, states have realized that tourism holds great promise for economic development. Domestic and foreign travelers together spent over $650 billion in the U.S. in 1990, of which more than $51 billion was spent by the nearly 40 million foreign visitors to this country. Tourism has surpassed agriculture as this nation's largest "export" industry.

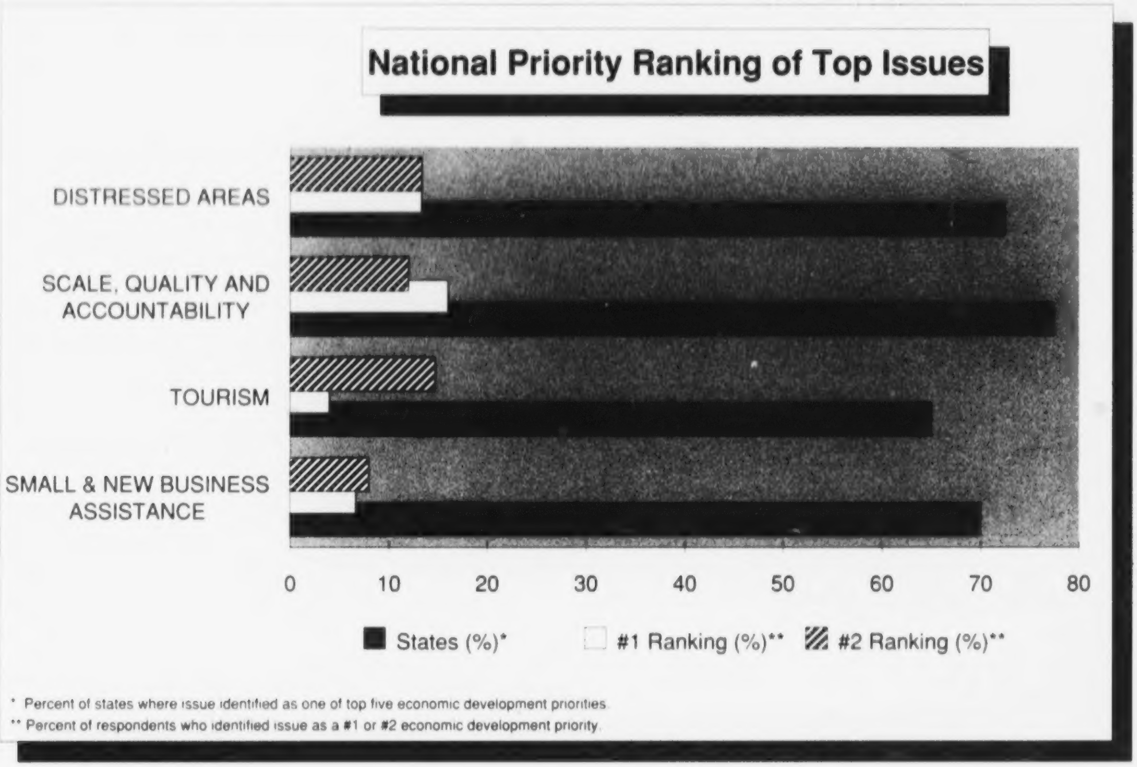
In order to capitalize on this growing industry, states continue to increase their tourism promotion and marketing budgets, albeit at a slower rate than in previous years. States spent $122 million on tourism promotion in 1990. The largest increases in government spending on tourism promotion and marketing activities were in the west and mountain regions; Wyoming, New Mexico and Kansas all report an increase in tourism promotion. Northeastern states, including New York, New Hampshire, Pennsylvania and Vermont, are looking to tourism to help boost sagging economies. At least 20 states will consider tourism promotion this year; a dozen states will consider programs to target international travelers specifically as a source of tourism dollars.

States also have instituted a variety of programs to attract domestic and foreign visitors to rural areas. These include promotion of heritage and cultural tourism programs, increased funding for rural development grants programs, and investing in convention centers and sports facilities to bring in new visitors. Survey results indicate that eight states are likely to look at rural tourism initiatives this year.

Affordable Housing

This year's *State Issues* survey responses reflect the growing interest of legislatures in addressing affordable housing as an economic development issue. Down payment and home ownership assistance, as well as housing trust funds, are of particular interest to states.

The cost and availability of housing often act as impediments to realizing economic development benefits--such as business location and job creation--in both urban and rural areas. Legislatures enacted a variety of housing legislation during 1991, and 20 states now have housing trust funds. In 1991 the Oregon legislature supplemented funding for the state's housing trust fund with an appropriation of $35 million, $5 million of which will be used to build up to 1,110 units of emergency housing. At least 22 states plan to consider legislation relating to affordable housing this year.



* Percent of states where issue identified as one of top five economic development priorities.

** Percent of respondents who identified issue as a #1 or #2 economic development priority.

Other Priority Issues

"Human capital," especially in the area of adult basic education, and workforce training are among other top priority economic development issues identified by survey respondents; both will be important in Kansas. (Human resource development is discussed in more detail in the Labor section of this report.) Prioritizing infrastructure needs in urban and rural areas of Oklahoma, and improving the business climate to retain existing businesses in Minnesota will be important issues in those states' sessions this year. West Virginia will focus on land use planning for community and industrial development, Idaho will address the impact of highway funding on economic development, and Alaska will examine marketing assistance funding for that state's depressed fishing industry. Privatization initiatives may be introduced in Michigan.

NCSL Staff Contacts: Dan Pilcher, Economic Development (Denver Office) and Laura Loyacono, Tourism (Denver Office)

Economic Development

Rural economic development	20	✓	✓✓										✓
Community economic development	15	✓					✓						✓
Establish/expand enterprise zones	14						✓						
Support for community development corporations	13		✓				✓						✓
Leadership development	9		✓										✓
Urban economic development	8						✓						
Military base closures/conversions	6				✓								
Other	4				✓								
Cooperation between governments on strategies	26	✓	✓	✓		✓	✓		✓				✓
Coordination of state agencies in delivery of services	21	✓	✓✓	✓		✓	✓		✓				✓
Establish manufacturing networks in key industries	7	✓											
Other	6				✓								
Support for service organizations to increase competitivenes	5	✓											
State system of certified brokers	2	✓											
Tourism marketing and advertising	20	✓		✓					✓		✓	✓	✓
Strategic planning for tourism development	14	✓✓		✓				✓	✓			✓	✓
International tourism promotion	12	✓				✓		✓	✓			✓	
Convention centers/sports facilities	11	✓		✓		✓		✓	✓✓			✓	✓
New tourism programs/initiatives	11	✓✓				✓						✓	
Rural tourism programming	8	✓									✓		
Hotel/motel taxation	4												
Business incubators	16	✓		✓		✓	✓	✓					✓
Managerial/technical assistance	16	✓✓		✓			✓						
Other	12	✓	✓					✓					
Nonprofit/government competition	9	✓				✓							
Export financing programs	13	✓											
Regional cooperation	13	✓							✓				
Establish foreign trade office or agency	12			✓					✓				
Overseas office representation	12	✓		✓					✓				✓
Other	10	✓						✓					✓
State involvement in export trading companies	8												✓✓
Restrictions on foreign investment	2											✓	
Down payment and home ownership assistance	10						✓		✓				
Planning/oversight of housing programs	9						✓		✓				
Housing trust funds	8						✓	✓					
Community reinvestment/linked deposits	8		✓				✓	✓					
Other	4				✓		✓	✓				✓	
Preservation of federally subsidized units	3						✓						
Rent subsidy	2						✓						
Start-up capital	14			✓			✓				✓		✓
Operating, expansion or relocation capital	12			✓			✓						✓
Stimulate new privately-owned institutions to fill market gap	6										✓		
Other	6	✓											
Video gambling	11												
Legalization of lotteries	7										✓	✓	
Charitable gambling	6												
Riverboat/offshore gambling	6												
Legalization of casinos	4												
Indian gambling	3												
Advanced technology centers	13	✓							✓		✓		
Technology transfer	11								✓				✓✓
Biotechnology	9											✓	✓
Industrial extension service	8	✓									✓		
Managerial/technical assistance	6	✓											✓
Public-private partnerships	10					✓							✓
State agencies dealing with economic development	10				✓								✓
Economic development board/commission	5		✓		✓	✓							
Legislative committee on economic development	2												
Assigning responsibility (e.g., special commission, agencies)	11					✓		✓					
Implementation of plan	7										✓		

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top economic development priority.

Note: No responses were received from (or issues identified for): FL, IN, MA, ME, NM and PR.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

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Economic Development

	[illegible]	[illegible]	[illegible]	[illegible]	KY	LA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	NC	[illegible]	[illegible]	NJ	[illegible]	NY	OH
1.	1,3	3,4		3,5	4	2,4				3,1,3,3	2,3	2	5	2			1,2		3	2
a	✓✓	✓		✓	✓	✓✓				✓✓✓	✓			✓						✓
b	✓✓	✓		✓✓						✓✓	✓✓						✓✓		✓	
c	✓	✓✓✓		✓	✓	✓✓				✓✓✓	✓			✓			✓			✓
d	✓	✓				✓				✓	✓	✓					✓			
e				✓								✓		✓						✓
f		✓✓✓								✓✓✓✓	✓						✓✓		✓	
g	✓	✓				✓				✓✓										✓
h				✓																
2.	2	2		1,1	2,2					3	4	1	2	5,5		5	3,5		1,4	4
a	✓	✓		✓✓	✓✓					✓	✓	✓		✓			✓✓		✓	
b	✓	✓		✓✓	✓✓						✓	✓		✓		✓	✓✓		✓✓	
c				✓	✓									✓					✓	
d				✓															✓	
e	✓				✓												✓		✓	
3.	3,4	5		2,4	3	4,5				2,4,4			1	3,4		1	3		2,3	5,5
a	✓			✓	✓	✓✓				✓				✓		✓	✓		✓✓	✓✓
b	✓✓	✓		✓✓	✓												✓			✓
c	✓✓	✓				✓								✓✓					✓	✓
d										✓				✓			✓			✓✓
e	✓			✓✓		✓✓										✓			✓	✓
f	✓			✓		✓✓				✓										✓
g	✓																		✓	
4.		3,5			2	1,1				3,4	5	5		4	3	3	4,4		2,5	1
a		✓				✓				✓	✓			✓	✓		✓			✓
b		✓				✓				✓	✓	✓			✓				✓	✓
c		✓								✓		✓					✓		✓	
d		✓			✓	✓				✓					✓					
5.	4,5	3,5		3	4,5			3		1,3	4,4		5	1,2			2,4			4,4
a	✓	✓		✓	✓						✓✓			✓			✓✓			✓
b	✓✓				✓									✓			✓✓			✓✓
c				✓	✓✓					✓	✓			✓			✓			
d				✓						✓	✓			✓			✓			✓
e		✓						✓		✓				✓						
f		✓			✓					✓							✓✓			✓
g																	✓			
6.	3,4	2		5		5				2,2	1,2					4	2,5		1	1
a	✓					✓					✓✓						✓✓		✓	✓
b		✓		✓						✓									✓	✓
c	✓															✓				
d	✓	✓									✓									
e																				
f		✓																		
g											✓									
7.	1,5				4	2		2		3,3	2,2	5		2						3
a	✓✓				✓						✓✓	✓		✓						✓
b					✓					✓	✓✓	✓		✓						✓
c	✓✓									✓✓		✓								✓
d								✓												
8.	2	3,4				5					1,5			1	2	2	1			
a	✓	✓				✓					✓✓				✓	✓	✓			
b														✓	✓		✓			
c															✓		✓			
d		✓✓				✓					✓✓				✓					
e						✓										✓	✓			
f															✓					
9.	2,5			2,2	4,5			1		5	3				4		1,3		4	2
a	✓			✓✓	✓					✓	✓				✓		✓✓			✓
b	✓✓			✓✓	✓✓					✓	✓						✓✓		✓	
c								✓			✓				✓		✓			
d	✓									✓										
e				✓											✓					
10.		1,1		4	1,1,3	3		4		4									5	2,3
a		✓		✓	✓	✓		✓		✓										✓
b		✓✓		✓	✓✓✓	✓		✓												
c					✓✓✓															
d										✓										
11.		1		1,5	1,2			2		3	1	4			5					3
a		✓		✓	✓✓			✓		✓	✓	✓								
b		✓			✓✓			✓												

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

Economic Development

1.	[illegible] AREAS	1	1,2		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	Rural economic development	✓	✓✓		✓	✓	✓✓		✓✓	✓	✓				
	Community economic development	✓			✓		✓		✓		✓				
	Establish/expand enterprise zones		✓		✓				✓✓						
	Support for community development corporations								✓		✓			✓	
	Leadership development		✓			✓			✓						
	Urban economic development	✓			✓										
	Military base closures/conversions														
	Other											✓		✓	
2.	SCALE, QUALITY AND ACCOUNTABILITY	3,4	1,2		5	1,2	3,4,5		3	4		3,5	1		
	Cooperation between governments on strategies	✓	✓✓		✓	✓✓	✓✓✓		✓	✓		✓✓			
	Coordination of state agencies in delivery of services		✓		✓	✓						✓			
	Establish manufacturing networks in key industries	✓											✓		
	Other	✓										✓	✓		
	Support for service organizations to increase competitiveness														
	State system of certified brokers											✓			
3.	TOURISM ADMINISTRATION AND FUNDING		4,5				2,2,3	4		3			2		3
	Tourism marketing and advertising		✓				✓	✓					✓		
	Strategic planning for tourism development						✓								✓
	International tourism promotion		✓					✓							
	Convention centers/sports facilities														
	New tourism programs/initiatives									✓					✓
	Rural tourism programming									✓					
	Hotel/motel taxation		✓				✓✓								
4.	SMALL AND NEW BUSINESS ASSISTANCE		3,3		4		5	3		1		2	3,4,5	5	
	Business incubators						✓	✓							
	Managerial/technical assistance				✓		✓	✓		✓				✓	
	Other		✓					✓				✓	✓✓		
	Nonprofit/government competition		✓				✓								
5.	INTERNATIONAL TRADE	2,3	1,3			5,5		1	5		5	4,4	3,3		4
	Export financing programs		✓✓								✓	✓✓			
	Regional cooperation		✓✓					✓			✓	✓✓			✓
	Establish foreign trade office or agency	✓						✓	✓				✓		
	Overseas office representation								✓				✓		
	Other							✓	✓				✓		
	State involvement in export trading companies		✓✓			✓									
	Restrictions on foreign investment														
6.	AFFORDABLE HOUSING	2	3,3		3				2,2			1	3		
	Down payment and home ownership assistance		✓✓		✓										
	Planning/oversight of housing programs	✓											✓		
	Housing trust funds		✓✓		✓				✓✓			✓			
	Community reinvestment/linked deposits	✓										✓			
	Other														
	Preservation of federally subsidized units											✓			
	Rent subsidy														
7.	FINANCIAL ASSISTANCE	1			3		4		1		3	3	1	2	
	Start-up capital				✓						✓	✓		✓	
	Operating, expansion or relocation capital				✓				✓		✓				
	Stimulate new privately-owned institutions to fill market gap				✓										
	Other	✓					✓		✓		✓				
8.	GAMBLING AND LOTTERIES		2,4				1,1,1	5			4	5	1		5
	Video gambling		✓✓				✓✓✓					✓	✓		
	Legalization of lotteries							✓							✓
	Charitable gambling						✓✓				✓	✓			✓
	Riverboat/offshore gambling		✓✓										✓		
	Legalization of casinos											✓			
	Indian gambling											✓	✓		
9.	HIGH TECH PROMOTION		3			1		3		3		1	4,4		
	Advanced technology centers							✓				✓			
	Technology transfer											✓	✓		
	Biotechnology					✓						✓	✓		
	Industrial extension service		✓			✓		✓		✓					
	Managerial/technical assistance					✓		✓							
10.	STRUCTURE OF STATE BOARDS					2,4	3,4		3		3				1
	Public-private partnerships					✓✓									
	State agencies dealing with economic development		✓				✓				✓				
	Economic development board/commission						✓								
	Legislative committee on economic development														✓
11.	STRATEGIC PLANNING					3,4			1,3				2,2	4	
	Assigning responsibility (e.g., special commission, agencies)								✓				✓		
	Implementation of plan					✓✓			✓✓				✓		

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)

✓ = Respondent from that state who selected the subissue

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Education

Funding both K-12 and higher education will once again be at the top of education agendas for many state legislatures in 1992. In addition, education reform continues to be a priority in the states. The debate on these issues in the year ahead will be even more challenging because of tight state budgets and a new national focus on education goals and standards.

K-12 Finance

School finance is a pressing and complicated issue for many state legislatures; at least 39 states will grapple with it in the upcoming session. Much of the urgency surrounding school finance has been a result of court challenges to state funding formulas. As of November 1991, 22 states find themselves involved in school finance litigation. Since 1989, the courts have ruled school finance systems unconstitutional because of unequal spending in four states: Kentucky, Montana, New Jersey and Texas.

The majority of lawsuits center on equity issues, but equity is a difficult concept to define. Policymakers and courts often use the term in entirely different ways. Fiscal equity refers to the level at which districts are funded. Fiscal inequities result when heavy reliance on local property taxes produces funding differences between property rich and property poor districts. Equity also refers to the adequacy of overall levels of spending.

K-12 education receives approximately one-third of all state general fund money. While education was generally spared the budget axe last session, it will likely not fare as well this year. Still, there is a reluctance in legislatures to actually cut the level of education funding. In FY 1991 only six states--Alabama, California, Mississippi, New York, North Carolina and Virginia--reduced spending below the amount originally appropriated for K-12 education. Few, if any, new funds will be allocated from the budget for education programs. To raise new revenues states may look to tax increases. Although tax increases are often politically unpopular, increases for education are finding some success outside of the legislature. Voters in Oklahoma approved that state's broad reform package that included property tax increases. On the other hand, Missouri's Proposition B was soundly defeated. A significant number of states (about 18) expect to consider some type of tax increase for K-12 funding.

Education Reform and Accountability

Court action surrounding school finance has motivated some states to implement significant statewide education reform. The result of the Kentucky school finance case was a restructuring of the entire education system. Other states may use the threat of court action as an opportunity to consider broad education reform policy.

The 1990s also bring a new set of actors into the education reform debate. The governors have articulated education standards through their National Education Goals, and the president and his administration have proposed strategies for attaining these goals through their America 2000 plan. Legislators will be key players in this movement. If the education goals are to be achieved, the rhetoric will need to be replaced by specific policies designed in the state legislatures. The survey results indicate that virtually every state will address education reform in 1992 sessions.

School choice is one of the most controversial of the reforms advocated in the new education agenda, and more than half the states plan to address the issue in 1992. Choice reflects the basic economic theory that quality is obtained through competition. Not surprisingly, its popularity emerges at a time of financial pressures in education. Many states have chosen to experiment with choice on a limited basis. A pioneer in statewide choice policy, Minnesota has extended the "free market" approach to education in its charter schools legislation. Charter schools are public schools that can be created by any group of individuals that obtains the endorsement of the school district.

As new education goals and standards are set, states will wrestle with policies aimed at achieving them. States will also need to establish methods for measuring whether students attain those goals. Amidst increasing displeasure with the use of standardized tests as a measure of student achievement, states are experimenting with alternative assessment methods. The president has argued for the need for large-scale national assessment programs. While such national testing already exists in a limited fashion, there is much concern over the fairness and consequences of the proposed national exam. Clearly, national involvement in the assessment area will limit the range of state responses and significantly affect current state assessment efforts. Well over half the states have indicated student achievement testing to be a top education priority for this session.

The most popular trend in testing is performance assessment. Performance assessment is the evaluation of a student's demonstration of specific skills and competencies rather than responses to predetermined written exercises. Minnesota has implemented a state assessment program that contains some kind of performance-based assessment at each grade level and in each subject tested.

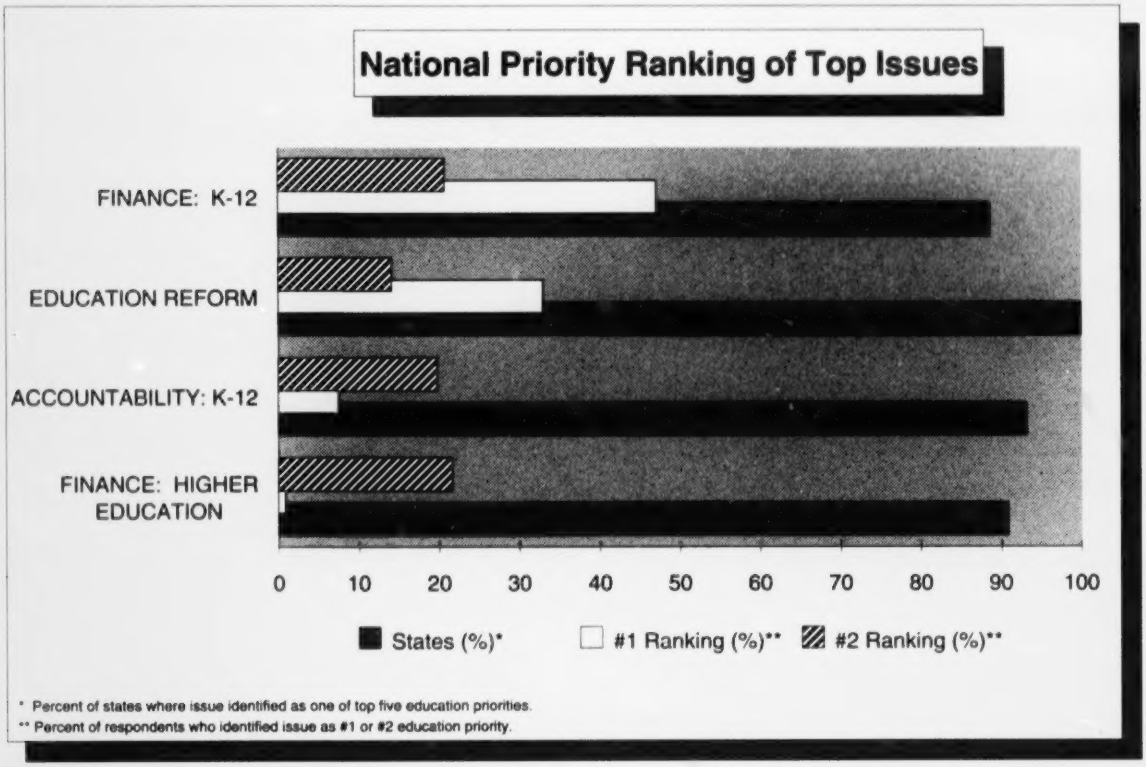
Portfolios have also become appealing assessment options. A portfolio is a file containing samples of a student's work products (i.e., writing projects, math problems) that demonstrate progress and competence. Vermont has instituted a statewide portfolio program for all fourth and eighth grade students in writing and math. Three methods are used in this assessment: a portfolio, a "best piece," and a uniform test. In the years ahead the system will expand to the high school level and will include science, history, social sciences and the arts. Connecticut has implemented state of the art assessments and tied them to the state's common core of learning.

Site-based management (SBM) is a popular experiment in school reform efforts. SBM embraces the philosophy that "bottom-up" management is preferable to "top-down" mandates. There are still many unanswered questions about site-based management. While collaborative decision making has found its way into schools, there is no evidence that it can result in larger school reform. In addition, the role of the state legislature in site-based management is not clear. Collaborative decision making teams are not generally mandated or created from state legislation.

Finally, some states have been successful in passing comprehensive reform packages. Oregon recently passed legislation that includes some fundamental changes in the delivery of education. Rigorous standards are set for all students through a Certificate of Initial Mastery (grade 10) and a Certificate of Advanced Mastery (grade 12). The highest education standards in the world are the benchmarks for these certificates. The new act also provides for high school students to select among several options, including a college prep or vocational/technical track.

Higher Education Finance

Taken together, K-12 and higher education represent over 50 percent of a state's budget. For the first time in more than 30 years, according to a University of Illinois survey, state funds for higher education in 1991 declined from previous year levels. In a survey by the American Association of State Colleges and Universities, representative university officials in over half the states said the 1992 financial outlook for higher education in their states is worse than the previous year. Tight budgets will force state legislatures to consider difficult cost cutting measures, including decreased scholarships and student loans, enrollment caps and the once unthinkable task of closing campuses.


National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five education priorities.

** Percent of respondents who identified issue as #1 or #2 education priority.

Another result of tight budgets will be rising, sometimes skyrocketing, tuition. The University of California system, for example, may face a tuition increase as high as 40 percent. These increases will challenge traditional and fundamental concepts about the role and purpose of public higher education, such as entitlement, access and the financial role of the state. As the cost of education increases, students and parents may raise new questions about the accountability of institutions of higher education. Constituents will voice their concerns to legislators about access to faculty, the quality of the faculty, access to courses and size of classes. Where once legislators were careful not to intrude in these areas, the demands for higher education accountability may force their involvement. The result is likely to be a tense relationship in the decade ahead between legislators and the higher education community.

Other Priority Issues

Other top priority issues identified by survey respondents include an examination of the mission of higher education in Missouri and Nebraska, coordination of children, youth and families services in Minnesota, prohibiting educational professionals from serving on school boards in New Hampshire, and vocational education in Florida. (Vocational education is covered in more detail in the Labor section of this report.)

NCSL Staff Contact: Julie Davis Bell
(Denver Office)

Education

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**FINANCE: K-12**	**I**	**39**	**1**	**1,1,1**	**1,2,3,3**	**1,1**	**1,1,1**	**2,2**	**4**		**1,1,1,1,2,5**	**2**	**2,4,5**	**1,1,2,3**
a.	Funding formula/equalization		37	✓	✓	✓✓✓	✓✓	✓✓✓	✓✓	✓		✓✓✓✓✓	✓	✓✓✓	✓✓
b.	Constitutional compliance/litigation		21		✓✓	✓	✓		✓				✓	✓	
c.	Tax increases		18		✓✓	✓		✓✓		✓		✓✓✓✓✓			
d.	Other		16	✓	✓			✓		✓		✓✓		✓	✓✓
e.	Local funding incentives		14		✓✓✓	✓	✓	✓✓✓		✓		✓✓	✓	✓	
2.	**EDUCATION REFORM**	**I**	**44**	**2**	**2,3**	**1,1,1,3**	**2,4**	**2,3**	**1,5**	**1**		**3,4,4,5**	**1**	**1,1,1,1**	**1,2,3,3**
a.	School choice		28	✓	✓	✓✓✓	✓✓	✓	✓✓			✓✓✓	✓	✓✓	✓✓
b.	Establish state education goals		26		✓	✓	✓	✓		✓			✓	✓✓	
c.	Reorganization/consolidation of school districts		24	✓	✓		✓	✓✓	✓	✓				✓✓✓	✓
d.	Assess/monitor reforms		24	✓	✓✓			✓		✓		✓✓		✓✓✓	✓
e.	Develop comprehensive reform packages		22		✓	✓✓✓		✓		✓		✓		✓✓	✓✓✓
f.	Deregulation/waivers		16			✓✓	✓						✓	✓✓✓	
g.	Other		14		✓			✓		✓				✓✓	
3.	**ACCOUNTABILITY: K-12**	**II**	**41**	**3**	**4,4**	**2,2,4**		**2,3**	**3**	**3**		**1,2,3,4**	**3**	**2,2,4**	**5**
a.	Student achievement testing		32		✓✓	✓✓✓		✓✓	✓	✓		✓✓		✓✓✓	✓
b.	Site-based school management		28	✓	✓	✓✓✓		✓		✓		✓	✓	✓✓✓	✓
c.	Teacher/school performance		27	✓	✓✓	✓✓		✓✓	✓			✓✓	✓	✓✓	
d.	School standards/accreditation		24		✓			✓✓					✓	✓	✓
e.	Rewards/sanctions		23			✓✓		✓✓		✓		✓		✓	
f.	Higher education preparedness		16	✓	✓✓			✓		✓		✓	✓	✓	
g.	Other		10							✓		✓✓		✓✓	
4.	**FINANCE: HIGHER EDUCATION**	**II**	**40**	**5**	**2,5**	**2**	**2,3**	**2,4**	**3**			**2,2,2,5**	**5**	**4**	**5**
a.	Overall funding for state institutions		35	✓			✓✓	✓✓	✓			✓✓✓		✓	✓
b.	Tuition increases		22	✓			✓	✓✓	✓			✓✓	✓		✓
c.	Student financial aid programs		20				✓	✓✓				✓		✓	✓
d.	Financial accountability		18	✓				✓				✓✓		✓	
e.	Tax increases		9		✓			✓				✓✓✓			
f.	Tuition prepayment/savings plans		8				✓							✓	
g.	Other		7		✓										
5.	**TEACHERS AND TEACHING**	**III**	**30**		**5,5**	**3,4,5,5**		**5**	**4,4**			**4,5**		**3,4**	**4**
a.	Certification/education		20		✓	✓✓✓		✓				✓		✓✓	✓
b.	Performance-based pay		14		✓	✓✓		✓						✓	
c.	Salaries		11		✓✓				✓			✓			
d.	Tenure reform		10		✓	✓✓								✓	✓
e.	Teacher recruitment/retention		10		✓	✓		✓						✓	
f.	Professional enhancements		9									✓✓		✓	
g.	Other		7						✓✓						
h.	Minority teachers		3												
6.	**AT-RISK YOUTH/DROPOUTS**	**III**	**26**		**2,3**	**4,5**						**1,2,3**		**3,5**	**5**
a.	Interagency collaboration		17									✓		✓	✓
b.	School/business partnerships		17		✓							✓✓			✓
c.	Job training programs		15		✓✓							✓			
d.	Youth literacy programs		15			✓						✓		✓	
e.	Parent literacy programs		13											✓	
f.	Drug abuse education programs		12		✓✓	✓						✓			
g.	Guidance/counseling		8		✓							✓			
7.	**EARLY CHILDHOOD EDUCATION**	**III**	**26**			**4,5**	**5**	**3**				**3,4,5**		**5**	**3,4,5**
a.	Parental involvement		17					✓				✓✓		✓	✓✓
b.	School-based child care		17			✓	✓	✓				✓			✓
c.	Head Start		17			✓✓		✓				✓✓			✓
d.	Pilot projects		12					✓						✓	✓
e.	Nutrition programs		8									✓			
f.	Implement Child Care and Development Block Grant		7				✓								✓
g.	Comply with federal requirements for special needs children		6									✓			
h.	Other		6									✓			
8.	**FACILITIES/CAPITAL IMPROVEMENTS**	**IV**	**18**	**4**	**3**		**3,4**			**2**			**4**	**2,3**	
a.	Financing improvements/bonds		16	✓	✓		✓✓			✓				✓	
b.	School building safety		6							✓				✓	
c.	Other		5							✓			✓	✓✓	
9.	**ACCOUNTABILITY: HIGHER EDUCATION**	**IV**	**22**					**4,4,5**	**1,5**	**5**		**3,4**		**5**	**4**
a.	Performance accountability		17					✓✓	✓	✓		✓			✓
b.	State governance structures		13					✓	✓✓					✓	✓
c.	Minority recruitment/retention		9					✓✓				✓		✓	
d.	Graduation rates		8					✓✓		✓					
e.	Entrance standards		7					✓✓				✓			
f.	Other		7							✓					
g.	Student/faculty relations		5					✓		✓					
10.	**SPECIAL EDUCATION**	**IV**	**15**		**4**		**5**	**5**				**3**		**3**	**1,2,2,4**
a.	Funding		11		✓		✓	✓				✓		✓	✓✓✓✓
b.	Compliance with federal laws for ages 0-5		9		✓			✓						✓	
c.	State programs		6									✓		✓	✓✓

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top education priority.

Note: No responses were received from (or issues identified for): DE and NM.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Education

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**2,3**	**1,1,1,1**	**2,3**	**1,1,4**	**1**	**1**	**2**	**2,2**		**1,1,1,2**	**1,1**	**1,1,1,1**	**2,5**			**1,2,2**	**1**		**2**	**1,1,1,2**
a.	✓✓	✓✓✓✓	✓	✓✓✓	✓	✓	✓	✓✓		✓✓✓	✓✓	✓✓✓✓	✓			✓✓✓	✓		✓	✓✓✓✓
b.	✓✓	✓✓✓		✓✓✓		✓	✓				✓	✓✓				✓	✓			✓✓✓
c.		✓		✓✓			✓	✓✓			✓	✓	✓			✓				✓
d.		✓								✓✓✓		✓								
e.	✓✓	✓✓				✓						✓✓								✓
2.	**1,1,1**	**3,3,4**	**1**	**1,2,5**	**5**	**4**	**1**	**4**	**1**	**2,2,4**	**4,4,4**	**2,3**	**3,4**	**1,1,1,2**	**2**	**1,2,3**	**2,3**		**1**	**1,5,5**
a.	✓✓	✓✓		✓			✓			✓✓			✓	✓✓✓		✓✓	✓		✓	✓✓
b.	✓	✓		✓✓			✓	✓			✓			✓✓	✓	✓	✓			✓
c.	✓	✓		✓✓			✓				✓✓		✓			✓	✓✓		✓	✓
d.	✓	✓✓		✓	✓		✓	✓		✓	✓✓	✓✓		✓✓			✓✓		✓	✓
e.	✓✓			✓✓✓		✓	✓	✓			✓✓			✓			✓			
f.	✓✓✓			✓						✓			✓	✓✓						✓
g.	✓								✓	✓	✓✓									✓✓
3.	**2,3,5**	**2,2,2,4**		**2,3,4**	**2**	**4**	**3**	**1,1**	**2**	**2,5,5**	**3,3**	**3**	**1**	**1,2,3,5**	**1**	**1,4**	**4**		**1,2**	**2,3,3**
a.	✓	✓✓✓✓		✓	✓		✓	✓✓		✓	✓			✓✓✓		✓✓	✓		✓✓	✓✓
b.	✓✓✓	✓✓		✓✓	✓		✓	✓	✓	✓✓	✓			✓✓✓	✓	✓			✓✓	✓✓
c.	✓✓	✓✓✓✓		✓✓	✓		✓	✓✓		✓✓				✓✓✓		✓	✓		✓	✓✓
d.	✓	✓✓✓		✓✓✓			✓	✓		✓✓✓		✓		✓	✓		✓			✓
e.	✓	✓✓		✓	✓		✓	✓✓				✓		✓✓✓					✓	✓
f.										✓	✓	✓								
g.									✓		✓				✓					✓
4.	**5**	**2,4,5**	**4**	**2**	**3,5**	**2,2**	**4**	**4**	**5**	**3**	**5**	**2,2**	**1,3**	**3,4**		**3,4**	**3**		**4,5**	**4,5**
a.	✓	✓✓	✓	✓	✓✓	✓✓	✓	✓		✓	✓	✓	✓	✓✓		✓	✓		✓✓	✓
b.		✓✓					✓	✓		✓	✓		✓	✓✓			✓		✓	✓
c.		✓✓	✓		✓		✓	✓	✓			✓					✓		✓✓	✓
d.	✓	✓		✓	✓						✓	✓				✓				✓✓
e.							✓					✓	✓			✓				
f.		✓								✓				✓			✓			✓
g.						✓								✓						✓
5.	**2,4**	**4**	**5**	**4**	**4**	**3,3**	**5**	**3**	**4**	**1,3,4**			**2**	**2,3,4**	**4**					**2,3,4**
a.	✓			✓	✓	✓		✓		✓✓✓				✓						✓✓
b.				✓			✓			✓				✓✓✓	✓					✓✓
c.	✓✓					✓		✓						✓✓						
d.							✓			✓✓✓				✓✓						✓
e.		✓				✓	✓			✓										
f.		✓	✓		✓		✓		✓											✓
g.	✓					✓														✓
h.		✓				✓														
6.		**5**	**1,4**	**3**	**3,4**	**1,5**				**4,4,5**		**5,5**	**4**	**2**		**3,5**	**2,5**		**4,5**	**4,5**
a.		✓			✓	✓				✓✓		✓				✓	✓		✓	✓
b.		✓		✓	✓					✓✓✓		✓	✓			✓	✓		✓✓	✓✓
c.			✓			✓				✓✓✓		✓✓		✓		✓	✓✓		✓✓	✓
d.			✓	✓	✓	✓				✓		✓	✓	✓			✓		✓	✓
e.			✓	✓	✓✓					✓		✓	✓	✓			✓		✓✓	✓
f.					✓					✓			✓			✓	✓		✓	✓
g.					✓	✓				✓							✓			
7.	**4,4**	**3**	**2,3**	**3,5**	**2**			**3,5**	**3**		**3,5**	**4**		**5**	**3**		**5**			**3,4**
a.	✓	✓	✓	✓✓	✓			✓			✓✓	✓			✓					✓✓
b.	✓				✓			✓			✓✓	✓		✓			✓			✓
c.	✓	✓	✓	✓					✓		✓✓				✓		✓			✓✓
d.	✓			✓✓				✓						✓	✓		✓			✓
e.	✓	✓		✓					✓											
f.	✓✓		✓												✓		✓			
g.		✓		✓										✓			✓			✓
h.											✓	✓								
8.	**3**	**3**								**3,5**	**1,2**		**5**				**4**			**2**
a.	✓	✓								✓	✓		✓				✓			✓
b.		✓								✓✓	✓✓									
c.																				✓
9.	**5**	**5,5**			**1**	**4,5**		**5**		**3**	**2,2**	**2,3,4**		**4**						
a.		✓			✓			✓		✓	✓✓	✓✓								
b.	✓	✓			✓	✓✓		✓			✓✓	✓✓✓		✓						
c.		✓✓			✓			✓			✓	✓								
d.								✓			✓✓	✓								
e.		✓						✓			✓✓	✓✓								
f.						✓				✓		✓								
g.												✓								
10.			**5**	**5**										**5**		**4,5**	**1**		**3,3**	
a.				✓												✓	✓		✓	
b.				✓										✓			✓		✓✓	
c.																	✓			

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Education

MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1. FINANCE: K-12		**4,4,5**		**1**	**1,1**	**1,2,3**	**2**	**1,2**	**1**	**1,1**	**1**	**1,2**	**3**	**1,1**
a. Funding formula/equalization		✓✓✓			✓✓	✓✓✓	✓	✓	✓	✓✓		✓✓	✓	✓✓
b. Constitutional compliance/litigation		✓✓				✓	✓		✓					✓✓
c. Tax increases						✓✓	✓	✓				✓		
d. Other				✓	✓		✓	✓✓		✓	✓			
e. Local funding incentives												✓		
2. EDUCATION REFORM	**1**	**1,1,1**	**1**	**3**	**3**	**2,2**	**1**	**1**	**4**	**3,3**	**1,4**	**1,1,3**	**1**	**4**
a. School choice	✓	✓✓✓						✓	✓	✓	✓	✓		
b. Establish state education goals		✓✓	✓			✓	✓		✓		✓✓	✓✓		✓
c. Reorganization/consolidation of school districts	✓			✓		✓	✓				✓			✓
d. Assess/monitor reforms	✓								✓	✓✓			✓	
e. Develop comprehensive reform packages		✓✓✓				✓	✓		✓	✓	✓✓	✓✓✓		
f. Deregulation/waivers	✓						✓	✓		✓	✓✓	✓✓		
g. Other		✓			✓			✓		✓		✓		
3. ACCOUNTABILITY: K-12	**2**	**2,3**		**4**	**4**	**4**	**3**	**3,5**	**5**	**2,4**	**4,5**	**2,3,4**	**4**	**5**
a. Student achievement testing	✓	✓			✓	✓	✓	✓	✓	✓✓	✓	✓✓		✓
b. Site-based school management							✓			✓	✓	✓✓		✓
c. Teacher/school performance						✓	✓		✓	✓✓	✓✓	✓✓✓		✓
d. School standards/accreditation	✓	✓					✓	✓	✓		✓	✓		✓
e. Rewards/sanctions		✓		✓			✓	✓	✓	✓	✓	✓✓		
f. Higher education preparedness		✓		✓			✓			✓	✓✓			✓
g. Other		✓		✓									✓	
4. FINANCE: HIGHER EDUCATION		**2**	**2**	**2,3**	**2**	**3,3,5**	**4**	**2**	**2**	**2**	**3**		**2**	**2,2**
a. Overall funding for state institutions			✓	✓✓	✓	✓	✓	✓	✓	✓	✓		✓	✓✓
b. Tuition increases				✓			✓		✓	✓			✓	
c. Student financial aid programs			✓	✓			✓			✓	✓			
d. Financial accountability		✓				✓	✓			✓	✓		✓	
e. Tax increases							✓							✓
f. Tuition prepayment/savings plans						✓								
g. Other				✓				✓						✓
5. TEACHERS AND TEACHING	**5**	**2,3**	**4**			**1,1**		**3,5**		**5**	**2,3**	**3**		**3**
a. Certification/education	✓					✓				✓	✓✓	✓		✓
b. Performance-based pay	✓		✓			✓		✓						
c. Salaries		✓	✓			✓								✓
d. Tenure reform						✓								✓
e. Teacher recruitment/retention	✓							✓						
f. Professional enhancements			✓											
g. Other		✓✓						✓✓		✓				
h. Minority teachers											✓			
6. AT-RISK YOUTH/DROPOUTS		**5**	**5**	**1,5**		**4,4**			**3**	**5**	**3**	**2,5**		
a. Interagency collaboration		✓							✓	✓	✓	✓✓		
b. School/business partnerships		✓		✓		✓						✓✓		
c. Job training programs			✓	✓✓					✓			✓		
d. Youth literacy programs									✓					
e. Parent literacy programs				✓					✓					
f. Drug abuse education programs				✓								✓		
g. Guidance/counseling			✓	✓										
7. EARLY CHILDHOOD EDUCATION	**4**	**3,5**		**2,4**	**2,5**	**5**						**4,5**		**5**
a. Parental involvement		✓		✓								✓✓		
b. School-based child care		✓		✓								✓		✓
c. Head Start		✓✓		✓								✓✓		✓
d. Pilot projects				✓										✓
e. Nutrition programs		✓			✓							✓		
f. Implement Child Care and Development Block Grant				✓										
g. Comply with federal requirements for special needs children														
h. Other	✓			✓	✓✓									
8. FACILITIES/CAPITAL IMPROVEMENTS	**3**							**4**			**2**	**4**		**3,4**
a. Financing improvements/bonds	✓							✓				✓		✓✓
b. School building safety												✓		
c. Other											✓			
9. ACCOUNTABILITY: HIGHER EDUCATION		**4**		**5**	**5**	**5**	**4**	**4**					**5**	
a. Performance accountability		✓			✓	✓	✓	✓					✓	
b. State governance structures				✓										
c. Minority recruitment/retention					✓									
d. Graduation rates		✓			✓		✓							
e. Entrance standards							✓							
f. Other						✓							✓	
g. Student/faculty relations				✓			✓							
10. SPECIAL EDUCATION			**3**		**3,4**					**4**				
a. Funding					✓									
b. Compliance with federal laws for ages 0-5			✓		✓✓									
c. State programs			✓							✓				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue.

Elderly

Long-term care needs continue to grow. In the majority of states the result has been huge increases in medical assistance budgets due to the constant rise in nursing home reimbursement. States have taken a number of approaches to controlling costs. For many states, having Congress understand that Medicare and Medicaid are not paying their fair share is a priority issue. Educating consumers about long-term care insurance also is a priority in these states because, as one *State Issues* survey respondent noted, "the state and federal governments cannot do it alone." Finding alternatives to expensive nursing home care will be a top priority on at least 33 states' agendas for elderly issues, as will health insurance, which respondents in 31 states expect to see addressed this year.

Alternatives to Institutional Care

State Issues respondents in a majority of states in session indicated they will look at alternatives to institutional care for the elderly this year. Discussions will focus in particular on development of in-home care programs (31 states), community-based programs (27 states) and reimbursement systems in Idaho, Kansas, Louisiana, Maryland, Michigan, Rhode Island and Wisconsin. Non-institutional care demonstration projects may be considered in Oklahoma and South Carolina.

A provider tax credit to encourage the provision of in-home care will be addressed in Hawaii and North Carolina. Iowa will continue efforts to develop programs for senior citizens, with particular emphasis on home-based care initiatives. The need for more in-home care and hospice programs will be discussed in New Hampshire. In Minnesota premiums for home care are likely to be addressed.

State Issues respondents have indicated they anticipate significant activity on community-based care during 1992 sessions. Some specific proposals will include: improving reimbursements for community-based care in Hawaii, supporting community initiatives in Iowa, increasing funding for more community- and home-based services in Utah, and continuing to lay the legislative and financing foundation for community-based long-term care in Vermont. The expansion of PASSPORT (a pre-admission screening program), including moving OPTIONS clients to PASSPORT and other services, will be discussed in Ohio. OPTIONS is a program to coordinate services that enable older adults to continue independent living.

Funding for respite care was identified as a priority issue in Idaho, Michigan and Nebraska. In Illinois current alternatives do not include significant home nursing or respite care; these may become budget priorities. The authorization of more beds for respite care in those hospitals that have open beds, provision of more beds for the mentally retarded and the development of community-based systems for the mentally ill are slated for discussion in Maine. Foster family care for seniors and expanded respite care may be considered in New Jersey.

Health Insurance

With Medicare and Medicaid costs rising at an alarming rate (seven states experienced Medicaid spending increases in excess of 40 percent in FY 1991), funding formulas for Medicare and Medicaid coverage are priority issues in many states. Medicaid's cost growth stems from double digit inflation, increased federal mandates and increased case loads due, in part, to the recession.

Medicare payments to doctors for medical services are likely to be addressed in Wyoming, and mandatory Medicare assignment may be discussed in New Jersey. Overseeing the implementation of Chapter 572 of 1990, which places a limit on balance billing of Medicare patients, is a priority in New York. The elimination of Medicaid discrimination in nursing homes is a priority issue in Michigan. Recent congressional action to protect state Medicaid revenue-raising authority will need to be addressed by all states.

Health insurance for long-term care will continue this year as a high priority for at least 21 states, according to survey results. Connecticut, Hawaii, Maryland, New Hampshire, New Jersey and New York are among the many states that will discuss this important insurance issue. Long-term care insurance legislation already in place in Nebraska may receive a second look. Promoting the availability of long-term care insurance and establishing standards to protect applicants from unfair or deceptive sales are priority issues for Pennsylvania.

Long-Term Care

How to finance long-term care will be the topic of legislative debate in at least one-half the states this year, including Delaware, Hawaii, Idaho, Illinois, Missouri, New Jersey, North Carolina, Washington and Wyoming. Iowa hopes to maintain the current level of reimbursement in the face of state budget cuts. Idaho may explore the issue of tax incentives for community services to encourage access to care at an affordable cost. Kansas will consider alternative measures to reduce the proportion of state health care money presently spent on long-term care. Maine will examine the use of beds in non-institutional settings and consider reimbursing services provided by some family members in their homes. In Ohio, where the number of senior citizens has increased 41 percent since 1980, the legislature will be working with the Department of Aging to respond to the problem of providing service.

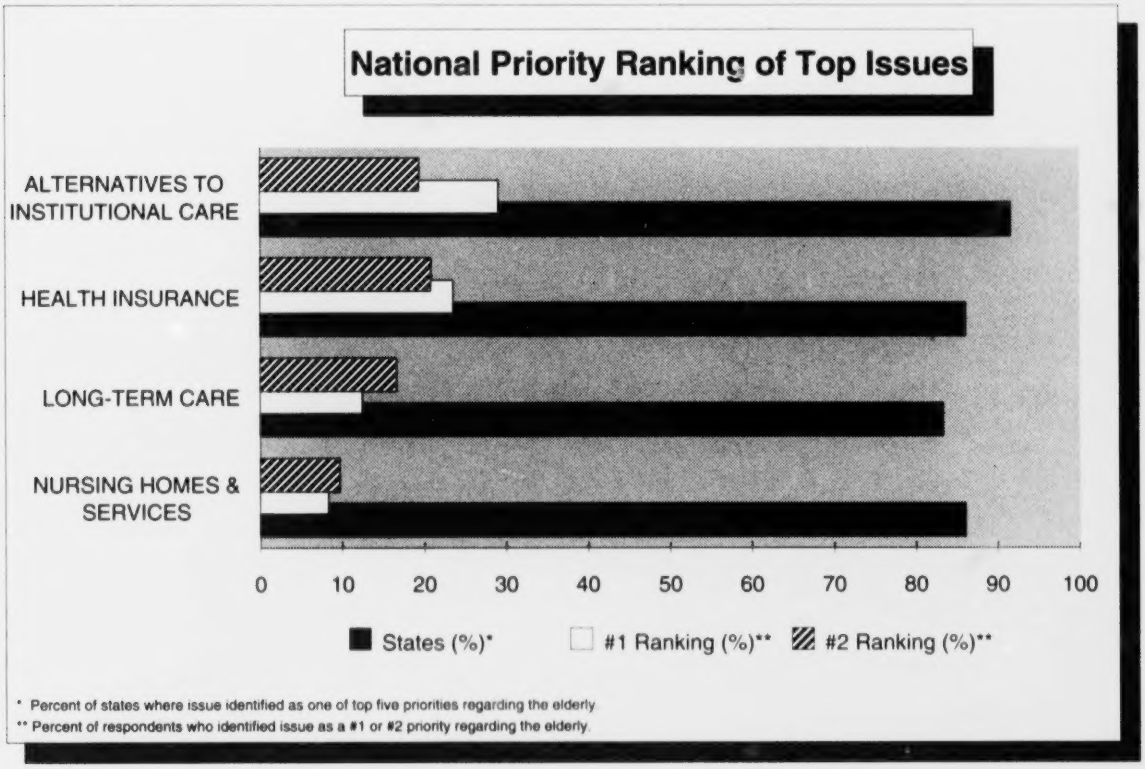
State Issues respondents in 20 states expect to address community services for long-term care this year. Funding for Alzheimer's care is a priority in Indiana. Standards for board and care facilities will be discussed in Rhode Island, as well as experimental models for long-term care service delivery. Wisconsin expects to address expanding community-based long-term care programs, reducing waiting lists and meeting the expected growth in the demand for services.

The availability of and access to long-term care services will be a priority issue in several states, including Colorado, Ohio, South Carolina and Wyoming. One *State Issues* respondent from Wyoming cited the need for more providers in that rural state. Reform of the state health care delivery system is a major priority in most states. The long-term care component of their health care system is a prime area of concern in Kansas.

In Pennsylvania, the secretary of aging has indicated that implementation of a series of recommendations made to the governor's long-term care council in the spring of 1991 is a priority. Vermont will examine how long-term care for both the elderly and for people with disabilities would fit into a universal health care plan. In Washington, the development of universal health care coverage is expected to take precedence over the creation of long-term care insurance mechanisms, but the processes are expected to be linked eventually.

Nursing Homes and Services

At least 31 states plan to consider policy relating to nursing homes--especially reimbursement systems and regulatory issues--according to *State Issues* survey response. Spiraling nursing home reimbursement costs and the reimbursement formula for providers are priority issues in Ohio and Wisconsin. Changes in Medicaid regulations may require the restructuring of nursing home payment systems in Illinois. Medicaid reimbursement is also a priority issue in Indiana, Maryland, Michigan, Ohio and South Carolina. Iowa will examine the cost of nursing home reform and attempt to keep pace with reimbursement requirements. Vermont will consider the implementation of a new system for case-mix reimbursement, as will Rhode Island. In Tennessee a request by private pay patients for the rollback of a nursing home bed tax may be considered.


National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five priorities regarding the elderly.

** Percent of respondents who identified issue as a #1 or #2 priority regarding the elderly.

Regulation of nursing homes will be scrutinized in 16 states, including Alabama, Missouri, Ohio, Utah and Wyoming. In addition, Hawaii will examine the strict enforcement of existing nursing home regulations through increased inspections. Comprehensive legislation in Pennsylvania, which prohibits abuse of residents and provides for license revocation, immunity for reporters of abuse, and compensatory and punitive damages, will be discussed. South Carolina also may recommend stricter regulations for nursing homes and residential care facilities. South Dakota is likely to consider a moratorium on new nursing home beds. The state currently utilizes some "swing-beds" (those used for either acute or long-term care), but elderly residents typically do not want to be far from home. Certificate of need is a priority issue in Connecticut, North Carolina, Ohio, Virginia and Wyoming.

Other Priority Issues

State Issues responses revealed several other issues that are likely to be important on legislative agendas for the elderly. New York may examine expanding that state's Supplemental Security Income (SSI) Outreach program. Establishing a separate department of aging in Oklahoma, and streamlining the delivery of aging services in Michigan were indicated as top priority issues in those states.

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Elderly

	MAJOR ISSUE AREAS **Subissues**	**NAT'L RANK**	**STATE TOTAL**	**AK**	**AL**	**AZ**	**CA**	**CO**	**CT**	**DC**	**DE**	**FL**	**GA**	**HI**	**IA**
1.	**ALTERNATIVES TO INSTITUTIONAL CARE**	**I**	**33**				**3**	**1,3**	**1**		**1,2**			**1,1,4**	**3**
a.	In-home care		31				✓	✓✓	✓		✓✓			✓✓✓	✓
b.	Community-based care		27				✓							✓✓	✓
c.	Adult day care		22								✓			✓✓	
d.	Respite care		21				✓				✓			✓✓	
e.	Other		3											✓	
2.	**HEALTH INSURANCE**	**I**	**31**		**4**		**1**	**2,2**	**5**		**1,2**			**2,5,5**	**5**
a.	Medicare/Medicaid coverage		25		✓		✓	✓✓			✓✓			✓✓	✓
b.	Long-term care insurance		21				✓		✓		✓✓			✓✓✓	
c.	Regulation of Medicare supplement plans		12								✓✓				
d.	Other		9					✓							
3.	**LONG-TERM CARE**	**II**	**30**					**4,4**	**4**		**4**			**1,2**	**4**
a.	Funding mechanisms		25					✓	✓		✓			✓✓	
b.	Community services		20						✓		✓			✓	
c.	Access/availability		19					✓	✓						✓
d.	Other		2												
4.	**NURSING HOMES AND SERVICES**	**II**	**31**		**2**			**5**	**2**		**5**			**3,3,4**	**1**
a.	Reimbursement		19						✓					✓	✓
b.	Regulation		16		✓						✓			✓✓	
c.	Certificate of need		13		✓				✓						✓
d.	Access/availability		11								✓			✓✓	
e.	Quality control		9											✓	
f.	Reform		6												✓
g.	Other		5												
5.	**FINANCIAL ASSISTANCE AND SUBSIDIES**	**III**	**24**		**5**				**3**		**3,4**			**4**	
a.	Tax relief		16						✓						
b.	Pharmaceutical assistance		14						✓		✓				
c.	Meals on wheels/nutrition programs		13		✓						✓				
d.	Transportation subsidies		11								✓				
e.	Housing assistance/subsidies		9								✓✓			✓	
f.	Senior volunteer programs		8		✓						✓				
g.	Other		2												
6.	**LEGAL RIGHTS AND PROTECTIONS**	**III**	**23**		**3**			**1**			**3**				
a.	Access to health care		16		✓			✓			✓				
b.	Living wills/right to die/assisted suicide		15					✓							
c.	State ombudsman programs		8												
d.	Patients' rights		4												
e.	Age discrimination		1												
f.	Senior citizen representation on boards/commissions		1												
g.	Other		1												
7.	**SPECIALTY CARE**	**III**	**25**		**1**		**2**	**3**			**5**			**3**	**2**
a.	Alzheimer's disease/related disorders		13				✓				✓				✓
b.	Rural health care		13		✓		✓								✓
c.	Mental health care		10				✓							✓	
d.	Frail elderly		9								✓				✓
e.	Other		2		✓										
8.	**FINANCIAL PROTECTION**	**IV**	**8**				**4**								
a.	Durable power of attorney laws		4				✓								
b.	Public guardianship/conservatorship programs		3				✓								
c.	Other		2												
d.	Home equity conversion counseling		1												
9.	**CRIME PREVENTION/COMPENSATION**	**IV**	**11**				**5**							**2**	
a.	Protective services for dependent adults/elder abuse		7				✓								
b.	Enhanced penalties for crimes against elderly		7											✓	
c.	Victim assistance/compensation for elderly		2												
d.	Other		1												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top elderly priority.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Note: No responses were received from (or issues identified for): AK, AZ, DC, FL, GA, KY, MA, NM, PR, and WV.

Elderly

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**2,2**	**1,2,4**	**3**	**1,1,1,3,4**		**1**		**3**	**2**	**1,4**	**2,4,4**		**2**	**1**	**2**	**2,4**	**4,4**		**1,5**	**1,1,3,4**
a.	✓	✓✓	✓	✓✓✓✓		✓		✓	✓	✓	✓✓		✓	✓	✓	✓	✓✓		✓	✓✓✓
b.	✓	✓✓✓		✓✓✓		✓		✓	✓	✓✓	✓		✓	✓		✓			✓	✓✓
c.	✓	✓✓✓		✓✓✓✓				✓		✓	✓			✓	✓		✓		✓	✓
d.	✓	✓✓	✓	✓✓					✓	✓✓	✓✓			✓	✓		✓			✓
e.																			✓	
2.		**1,2**	**5**	**1,2,4,5**				**2**	**1**	**1,2**	**1**	**4,5**	**1**	**4**	**3**	**1,2**	**1,2**		**2**	**1,1,2,3**
a.		✓✓	✓	✓✓✓✓				✓	✓	✓	✓	✓✓	✓	✓			✓		✓	✓✓
b.			✓	✓✓				✓	✓			✓✓			✓	✓	✓✓			✓✓✓
c.			✓	✓						✓		✓				✓				✓
d.				✓						✓	✓						✓			
3.	**4,5**	**5,5,5**	**4**	**2,3**		**2**			**4**	**4**	**1,2,5**	**1,4**	**3**	**5**		**1,5**	**2,5**		**1**	**2,2,2,3**
a.	✓	✓✓✓	✓	✓✓					✓	✓	✓✓✓	✓✓		✓		✓	✓✓			✓✓
b.	✓✓	✓✓		✓✓		✓			✓				✓			✓				✓
c.	✓	✓		✓					✓			✓								✓✓✓
d.																				
4.		**3,3,3**	**1**	**2,4,4,5**		**3**		**4**		**3**	**2,3,5**	**1,3**	**4**	**2**		**3**	**3**			**3,4,4,4**
a.		✓✓✓	✓	✓✓✓				✓			✓✓	✓✓	✓	✓						✓✓
b.		✓		✓✓		✓				✓	✓	✓✓					✓			
c.				✓✓✓✓								✓	✓	✓						✓✓✓
d.		✓		✓							✓						✓			✓
e.		✓	✓								✓						✓			
f.										✓	✓	✓								
g.		✓		✓												✓				
5.	**1,1**	**1,2**	**2**	**2,3,3**		**4**				**2,2**	**3,3**	**2**				**1**	**1**		**3,4**	**5**
a.	✓✓	✓	✓	✓✓						✓✓		✓				✓	✓		✓	
b.	✓	✓✓		✓✓✓						✓✓		✓					✓		✓	
c.	✓	✓✓	✓	✓		✓				✓		✓								
d.			✓	✓✓							✓✓	✓					✓			
e.		✓		✓						✓		✓								
f.	✓			✓															✓	
g.		✓																		
6.	**3**	**4**		**1,3**				**1**	**5**	**5**	**1,4**	**2**			**1**	**3**	**3,5**		**2**	**5,5**
a.				✓					✓	✓	✓✓	✓				✓	✓			✓✓
b.		✓		✓✓				✓	✓	✓					✓	✓	✓			✓
c.				✓						✓					✓		✓			✓
d.									✓							✓				
e.																				
f.																	✓			
g.	✓																			
7.	**3,5**	**4**		**4,5**				**5**	**3**	**3**	**5**		**5**	**3**		**4,5**			**4**	
a.	✓	✓							✓					✓					✓	
b.	✓✓			✓✓					✓	✓			✓			✓✓				
c.				✓					✓	✓			✓							
d.											✓					✓				
e.								✓												
8.				**2**						**1,5**										
a.																				
b.																				
c.				✓						✓										
d.										✓										
9.	**4**			**5**						**3**		**3,5**							**3**	**5**
a.	✓											✓✓								✓
b.	✓			✓						✓		✓✓								✓
c.	✓											✓								
d.																				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)
✓ = Respondent from that state who selected the subissue

Elderly

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**ALTERNATIVES TO INSTITUTIONAL CARE**	**1,4**			**1,2**	**2**	**1,4**	**5**	**1,3**	**1**	**1**	**2**	**2**		**2**
a.	In-home care	✓✓			✓✓		✓✓	✓	✓✓		✓	✓	✓		✓
b.	Community-based care	✓			✓✓	✓	✓	✓	✓✓	✓	✓	✓	✓		✓
c.	Adult day care	✓			✓✓	✓	✓✓	✓	✓✓		✓	✓	✓		
d.	Respite care	✓✓					✓	✓	✓✓		✓	✓	✓		
e.	Other				✓										
2.	**HEALTH INSURANCE**		**2,3**		**3**	**1,4**	**1,3,5**	**1**	**1,3**		**4**	**1,3**			**2,2**
a.	Medicare/Medicaid coverage					✓✓	✓	✓	✓			✓			✓
b.	Long-term care insurance		✓✓		✓	✓✓	✓✓	✓	✓			✓			✓
c.	Regulation of Medicare supplement plans						✓	✓	✓		✓				✓
d.	Other					✓	✓		✓			✓			
3.	**LONG-TERM CARE**	**2**	**2**		**1,2**	**3,4**	**2**		**5**		**3**	**1,3**	**1**		**1,3,4**
a.	Funding mechanisms	✓	✓		✓	✓	✓		✓		✓	✓✓			✓
b.	Community services	✓	✓		✓		✓		✓		✓	✓	✓		✓✓
c.	Access/availability	✓	✓		✓	✓✓	✓		✓		✓	✓	✓		✓✓
d.	Other				✓						✓				
4.	**NURSING HOMES AND SERVICES**	**5**	**3**		**5,5**	**1,2**	**1,4,5**	**3**	**4,5**	**5**	**2**	**5**	**3**		**1,5**
a.	Reimbursement				✓	✓	✓		✓		✓	✓	✓		
b.	Regulation	✓			✓✓	✓			✓✓			✓			✓
c.	Certificate of need				✓	✓			✓	✓					✓
d.	Access/availability						✓✓✓		✓	✓					✓
e.	Quality control				✓	✓✓			✓✓						✓
f.	Reform	✓							✓						
g.	Other		✓					✓							
5.	**FINANCIAL ASSISTANCE AND SUBSIDIES**	**3,5**	**1,1,5**			**3,5**	**2**	**2**	**2**		**5**		**4**		
a.	Tax relief		✓✓			✓✓	✓	✓	✓				✓		
b.	Pharmaceutical assistance	✓✓	✓✓			✓		✓	✓						
c.	Meals on wheels/nutrition programs	✓✓	✓						✓				✓		
d.	Transportation subsidies		✓✓				✓	✓	✓				✓		
e.	Housing assistance/subsidies	✓	✓						✓						
f.	Senior volunteer programs	✓							✓				✓		
g.	Other										✓				
6.	**LEGAL RIGHTS AND PROTECTIONS**		**1,3,5**				**2,3,5**		**4**	**2**		**2,4**	**5**		**3**
a.	Access to health care		✓						✓	✓		✓✓			✓
b.	Living wills/right to die/assisted suicide		✓✓✓				✓✓			✓		✓	✓		
c.	State ombudsman programs		✓				✓						✓		
d.	Patients' rights						✓✓								✓
e.	Age discrimination								✓						
f.	Senior citizen representation on boards/commissions														
g.	Other														
7.	**SPECIALTY CARE**	**1,3**			**4,4**		**3,4**	**4**	**2**	**4**		**5**			**1**
a.	Alzheimer's disease/related disorders	✓✓			✓✓			✓	✓	✓					
b.	Rural health care	✓					✓✓		✓						✓
c.	Mental health care	✓✓			✓✓				✓			✓			
d.	Frail elderly	✓			✓✓			✓	✓						✓
e.	Other														
8.	**FINANCIAL PROTECTION**	**4**	**2,4,4**		**3**	**5**						**4**			
a.	Durable power of attorney laws	✓				✓						✓			
b.	Public guardianship/conservatorship programs		✓✓✓		✓										
c.	Other														
d.	Home equity conversion counseling														
9.	**CRIME PREVENTION/COMPENSATION**	**2**	**5**							**3**					
a.	Protective services for dependent adults/elder abuse	✓	✓							✓					
b.	Enhanced penalties for crimes against elderly	✓													
c.	Victim assistance/compensation for elderly														
d.	Other		✓												

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue.

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Electric Utilities

The environmental consequences of producing electricity will dominate state policy debates in 1992. Incentives to encourage alternative power supplies also constitute a top electric utility priority for 1992. More than 30 states plan to address one or both of these issues.

Energy efficiency is popular again--*State Issues* respondents from more than 30 states expect incentives for energy conservation to be a high legislative priority in 1992. State legislatures are increasingly interested in meeting future electricity needs through demand-side management (DSM) programs rather than traditional supply-side resources. Legislative interest in integrated resource planning (IRP) will influence utility planning decisions next year. States do not need to be short on energy supply to have an interest in IRP. Pennsylvania legislators, for example, are looking at IRP in 1992, despite that state's excess capacity.

State concerns over siting and the environment will center on four issues: nuclear waste disposal, electromagnetic fields, the environmental consequences of fuel options and power plant siting. At least 35 states are likely to take up such issues in 1992 sessions. Interest in incentives to encourage alternative power supplies will focus on two areas in particular: cogeneration and waste-to-energy. For 1992, state legislatures also are interested in consumer advocate offices, protecting consumers from utility disconnections, rate incentives and financial assistance for customers.

Siting and Environment

Nuclear Waste Disposal Almost half the states responding to the survey expect nuclear waste disposal to emerge as a key issue. States are following closely the debate over the high-level nuclear waste repository at Yucca Mountain, Nevada. The repository would store spent nuclear fuel from power plants. State legislatures will examine legislation that defines below regulatory concern (BRC) waste, since the Nuclear Regulatory Commission has proposed a new definition for BRC. Numerous states are dealing with the issue of low-level waste facility siting. Nebraska, New York, Texas, Ohio and North Carolina will consider legislation concerning low-level waste in 1992.

Power Plant Siting The Clean Air Act Amendments (CAAA), electromagnetic fields and nuclear waste storage questions combine to make power plant siting a major concern; 20 states indicated they are likely to consider siting legislation a priority in 1992. Many states will re-examine existing siting requirements. Investor-owned utilities clearly have an interest in "one-stop shopping" for power plant siting permits, and the legislative momentum in individual states for this type of system is likely to pick up in 1992.

The Environmental Consequences of Fuel Options The environmental consequences of fuel options were priorities for state legislatures before the Clean Air Act Amendments of 1990 passed the U.S. Congress. The implementation of the CAAA and the new market-based allowance trading system will have a profound impact on electricity production planning in 1992. Utilities and state policymakers will weigh the benefits and costs of the market-based allowance trading system, since power generation, transmission, distribution and air pollution do not follow state geographic lines. Most states will be reorganizing and strengthening their air quality programs in 1992, and multistate workgroups are expected to evolve around this issue. Fuel switching (from petroleum to natural gas) will remain a viable alternative. Natural gas sales are projected to be at an all-time annual high in 1992, and much of this will be at the expense of the petroleum industry. States also are interested in electricity produced from wind energy since the cost of wind-generated electricity plummeted by as much as 75 percent in the last decade. Legislators in many states, especially the Great Plains states, will consider wind-energy legislation in 1992.

Electromagnetic Fields Increased concern over high voltage transmission lines and the potential health effects of electromagnetic fields (EMFs) is likely to continue through 1992. EMF research at this time is inconclusive. A number of states organized EMF task forces for 1992, and virtually all states are calling for more research on the issue. Florida, Montana and Oregon have legislation or regulations in place that limits EMF levels. At least five states--Massachusetts, Minnesota, New Jersey, New York and North Dakota--have informal policies to limit EMF levels. Texas, Washington, Virginia, Maryland, Ohio, Pennsylvania, Kansas and Rhode Island are but a few of the states with EMF task forces or committees in place for 1992. Due to inconclusive evidence, there are no health-based EMF regulations or laws in place in any state. Legislation on high voltage lines or EMFs, or both, is likely to be considered, however, in at least 17 states this year.

Incentives for Alternative Power

Cogeneration, or the sequential generation of two or more forms of energy from a common fuel or energy source, will be an active area for state governments and utilities in 1992. Legislation (ESSB 5245) was enacted in Washington state in 1991 allowing the state to sell cogenerated electricity to utilities. For example, steam heat (usually not captured) that is released from a boiler at a state agency can be used to run a turbine, which in turn generates electricity that can be sold to a utility. Other states are expected to pass similar legislation in 1992. Coastal states, with limited landfill space and high water tables, will experiment with waste-to-energy projects in 1992, and waste-to-energy legislation is expected to emerge in 1992 in at least 17 states, according to *State Issues* respondents. These include Alabama, Florida, Louisiana, Michigan, Ohio and Wisconsin. Recovering energy from waste is increasingly popular with state legislatures.

Customer Conservation and Consumer Protection

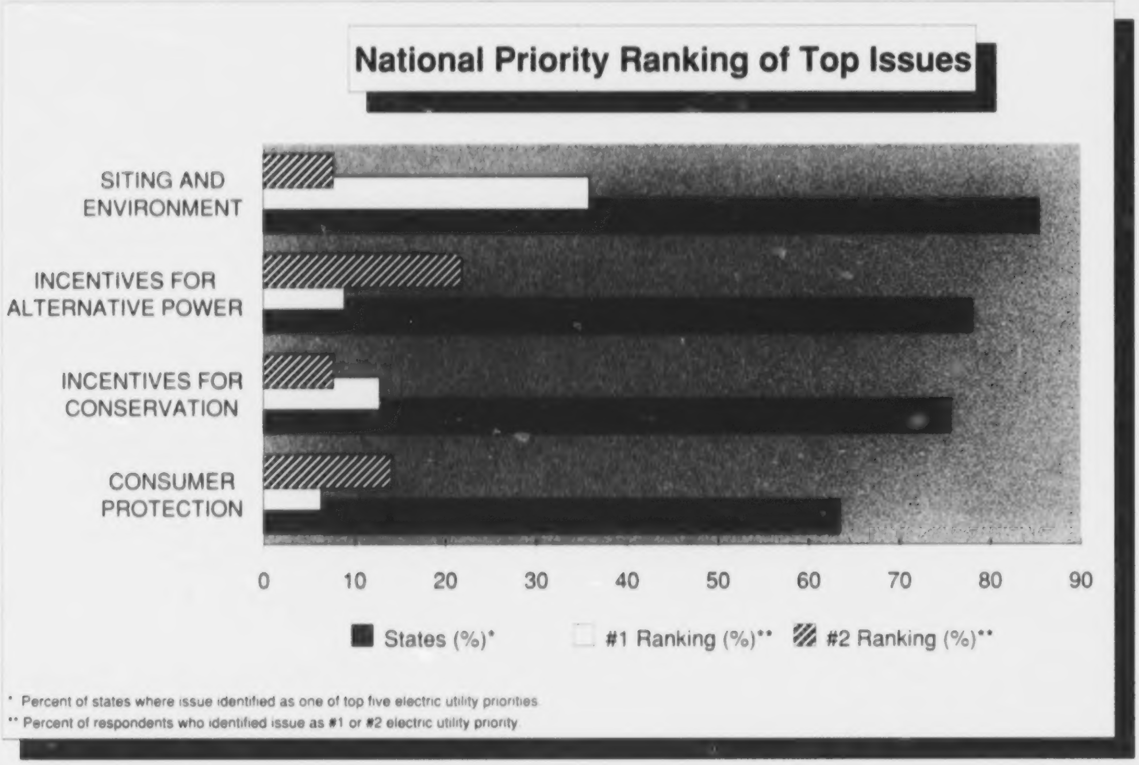
State legislatures and public utility commissions (PUCs) will seek to promote energy efficiency in 1992 with consumer rate incentive rebates and financing programs. Utility load management programs will be considered in more than a dozen states, and there is also legislative and regulatory interest in monitoring consumer reactions to demand-side management (DSM) initiatives.

DSM programs, both voluntary and mandated, will increase in 1992. There is state legislative interest in requiring investor-owned utilities (IOUs) to prove that DSM programs are producing the savings for which utilities are reimbursed under existing rate structures. New cost-recovery mechanisms will be proposed in four state legislatures in 1992.

Concern for electric utility customers is not new in state legislatures, and consumer advocate offices again will figure prominently in consumer protection initiatives. Survey results show 13 states planning to consider legislation on utility consumer advocates. With the success of integrated resource planning (IRP) and the proliferation of demand-side management programs expected to surface in the next few years, consumer advocate offices will play key roles in state utility planning. Legislatures in at least 15 states also expect to deal with the problem of service termination, especially for the elderly and infirm.

Power Supply Planning

Integrated resource planning (IRP) will be on many state legislative agendas in 1992. IRP requires utilities to share their visions of future energy supply and demand, taking into account energy efficiency and load-management programs, environmental and social factors, as well as direct economic costs and benefits, public participation, and the uncertainties and risks posed by different resource portfolios. IRP requires that



demand-side programs be treated the same as supply-side programs. Therefore, "saved" energy is treated as a "supply" of future electricity. IRP plans, both voluntary and mandated by law, like those in New York, Iowa, Nevada and Wisconsin will be considered by at least 16 state legislatures in 1992.

Other Priority Issues

Other top priority issues identified by *State Issues* respondents include demand-side management incentives in South Carolina, implementation of the 1990 state energy efficiency act in Iowa, utility taxation in South Dakota, and funding electromagnetic fields research in Rhode Island.

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Electric Utilities

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**SITING AND ENVIRONMENT**	I	35	1		1	3	2	4,4,5	4	2	3			
a.	Nuclear waste disposal		21			✓	✓		✓			✓			
b.	Power plant siting		20	✓		✓				✓	✓	✓			
c.	Fuel options and their environmental implications		18			✓	✓	✓		✓					
d.	Electric-magnetic fields		17						✓✓	✓	✓				
e.	High-voltage transmission lines		15	✓											
f.	Other		7												
2.	**INCENTIVES FOR ALTERNATIVE POWER**	II	32		2	2		1		2	3	4	2		3
a.	Cogeneration		18			✓				✓		✓			✓
b.	Waste-to-energy		17		✓			✓				✓			✓
c.	Utility load management		15								✓		✓		✓
d.	Intrastate wheeling of power		10								✓				
e.	Solar energy		5			✓						✓			✓
f.	Hydropower		4												
g.	Wind energy		3												✓
h.	Other		3												
i.	Geothermal energy		2												
3.	**INCENTIVES FOR CUSTOMER CONSERVATION**	II	31	3	3		1	4	1,2	3	5	5	3		1,2
a.	Rate incentives for customers		20	✓					✓	✓	✓	✓	✓		✓✓
b.	Energy audits for customers		14	✓	✓			✓				✓			✓
c.	Financing of customer measures		12								✓				✓
d.	Rebates for customers		12	✓			✓			✓			✓		✓
e.	Other		7				✓	✓	✓						
4.	**CONSUMER PROTECTION**	III	25		5		3,5	3	5,5	1	4	1			
a.	Termination of service (disconnect/reconnect) policy		15					✓			✓				
b.	Utility consumer advocate office		13		✓					✓	✓	✓			
c.	Funding for intervenors in utility commission hearings		9				✓		✓✓			✓			
d.	Other		4												
5.	**CUSTOMER FINANCIAL ASSISTANCE**	III	21	4	4		4		1,2,3		1				4
a.	Cash assistance (utility voluntary funds)		11						✓						✓
b.	Reduced rates for low-income customers (e.g., lifeline rates)		8		✓						✓				✓
c.	Reduced rates for businesses for economic development		7				✓		✓✓		✓				✓
d.	Cash assistance (state funds)		6												
e.	Tax exemptions/credits		5												
f.	Other		4	✓											
6.	**UTILITY MANAGEMENT**	III	22			3	1,2	5	4						2,5
a.	Management efficiency incentives		12				✓								✓
b.	Audits of utility companies		11				✓								
c.	Nuclear power plant safety		9			✓	✓		✓						
d.	Mergers and buyouts		5				✓✓								✓✓
e.	Public sector takeover of utilities		4			✓		✓							
f.	Other		3												
7.	**COMMISSION STRUCTURE AND PROCEDURES**	III	20	5	1				2,3		1		1,1		
a.	Sunset review		7	✓	✓						✓		✓		
b.	Other		7						✓						
c.	Commissioner election/appointment		6										✓✓		
d.	Establishing an independent staff		3												
8.	**POWER SUPPLY PLANNING**	III	23	2		4	5			5	2		4		4,5
a.	Least-cost supply planning		16	✓						✓	✓		✓		✓
b.	Integrated resource planning		16			✓							✓		✓
c.	Load forecasting standards		9							✓					✓✓
d.	Supply planning by state agency or utility commission		9								✓				
e.	Other		4				✓								✓
9.	**UTILITY DEREGULATION/ DIVERSIFICATION**	IV	11				2,4		1,3			2			
a.	Rate flexibility		10				✓		✓✓			✓			
b.	Utility diversification		5				✓✓								
c.	Other		3												
10.	**RURAL COOP AND MUNICIPAL UTILITIES**	IV	14								1,2		5		3
a.	State commission jurisdiction		9								✓✓		✓		✓
b.	Governance standards and procedures		4												✓
c.	Joint action		3												
d.	Other		2												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top electric utilities priority.

Note: No responses were received from (or issues identified for): HI, MO, NM, PR, and UT.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Electric Utilities

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**1,1**	**1**		**1**	**1,4**	**4**	**1**	**3**	**3,4**	**2,3,5**	**1,1,3**			**1**	**1**	**5**	**2,3**		**1,5**	**1,1,1**
a.		✓		✓		✓			✓✓	✓✓✓	✓✓✓			✓	✓	✓	✓✓		✓✓	✓✓
b.	✓	✓				✓			✓		✓✓						✓		✓✓	✓
c.	✓				✓✓	✓				✓	✓				✓		✓		✓✓	✓✓
d.							✓	✓	✓	✓✓	✓					✓	✓✓		✓✓	
e.					✓		✓	✓	✓	✓✓✓				✓			✓		✓	
f.	✓										✓						✓		✓	✓✓
2.	**3,4**	**5**	**4**	**4**		**2,3**	**4**	**1**	**2**	**1,2,4**	**1,2**			**4**	**2**		**1,1**		**2**	**2,4**
a.			✓				✓	✓		✓✓	✓				✓		✓✓		✓	✓✓
b.			✓	✓		✓		✓	✓	✓✓	✓			✓	✓		✓			✓✓
c.			✓	✓		✓	✓		✓	✓	✓✓			✓			✓✓		✓	
d.			✓			✓				✓	✓				✓		✓		✓	
e.																			✓	
f.		✓								✓	✓									
g.											✓✓									
h.										✓										
i.						✓													✓	
3.	**3,4**		**1**	**5**	**1**	**2**		**2**	**1**	**1,5**	**3,5**			**3**		**3**	**4**		**1,5**	**1,2,4,5**
a.					✓	✓		✓	✓	✓	✓✓			✓			✓		✓	✓✓✓✓
b.			✓		✓	✓		✓			✓									✓✓
c.			✓	✓		✓				✓	✓✓								✓✓	✓✓
d.						✓					✓			✓						✓✓
e.	✓									✓										
4.		**2,2,2**	**5**		**2,3**	**3,5**	**2**		**5**	**3,3,5**	**5**		**2**			**1**				
a.		✓✓✓	✓		✓✓	✓✓	✓		✓	✓✓✓	✓		✓							
b.			✓			✓					✓		✓							
c.					✓		✓		✓											
d.													✓			✓				
5.	**5**	**1,1,5**		**3**	**2,3**	**5**				**1,2**	**2,2**		**5**			**1**				**3**
a.		✓			✓	✓				✓	✓									
b.					✓✓	✓					✓									✓
c.													✓			✓				
d.		✓✓✓			✓					✓										
e.				✓	✓	✓					✓		✓							
f.										✓										
6.		**3,4**		**2**	**5**	**1**	**5**	**5**	**1,5**		**4**			**1,2**		**2,3**				**2,3,4**
a.		✓			✓	✓	✓		✓✓		✓			✓		✓				✓✓✓
b.		✓✓		✓	✓		✓	✓	✓											✓
c.		✓						✓	✓		✓			✓						
d.				✓					✓		✓									
e.						✓										✓				
f.														✓						
7.	**2**	**3,4**	**2**		**2**	**1**							**4**	**5**			**3**		**3**	
a.														✓						
b.	✓												✓				✓		✓	
c.		✓✓	✓																	
d.					✓												✓			
8.	**5**						**3**	**4**	**3,4**	**2,3,4**	**3,4**		**1**	**3**		**4**	**2**		**2,4**	**3,3**
a.								✓		✓✓	✓		✓	✓		✓	✓		✓	✓✓
b.							✓		✓	✓✓	✓✓		✓	✓		✓	✓		✓✓	✓
c.							✓		✓	✓✓	✓		✓	✓						✓
d.									✓✓	✓			✓	✓			✓		✓✓	
e.										✓										
9.									**2**	**1,4,4**				**2**		**2**			**3,4**	**2,5**
a.									✓	✓				✓					✓	✓✓
b.									✓	✓✓				✓					✓	
c.										✓						✓			✓	
10.	**3**		**3**		**1**	**4**				**5**			**3**							**5**
a.	✓					✓				✓			✓							✓
b.	✓		✓										✓							
c.					✓								✓							✓
d.																				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Electric Utilities

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**SITING AND ENVIRONMENT**		1,1,4		1,1	1,4	5	1		1	4	1,2	1,1,2	1,4	1
a.	Nuclear waste disposal		✓✓		✓	✓		✓							✓
b.	Power plant siting		✓		✓	✓	✓			✓		✓	✓		
c.	Fuel options and their environmental implications				✓	✓✓					✓		✓	✓	
d.	Electric-magnetic fields		✓✓✓		✓✓			✓				✓	✓✓	✓	
e.	High-voltage transmission lines		✓✓		✓✓			✓				✓✓	✓	✓	
f.	Other				✓										✓
2.	**INCENTIVES FOR ALTERNATIVE POWER**	2	4		5	4	2			2		2	2,2,3	1	
a.	Cogeneration	✓	✓			✓	✓			✓					
b.	Waste-to-energy					✓							✓✓		
c.	Utility load management		✓										✓		
d.	Intrastate wheeling of power					✓				✓					
e.	Solar energy												✓✓		
f.	Hydropower											✓			
g.	Wind energy												✓		
h.	Other				✓									✓	
i.	Geothermal energy														
3.	**INCENTIVES FOR CUSTOMER CONSERVATION**		2		4	5	3			3	1	3			
a.	Rate incentives for customers				✓	✓					✓				
b.	Energy audits for customers						✓				✓	✓			
c.	Financing of customer measures		✓			✓					✓				
d.	Rebates for customers		✓		✓						✓				
e.	Other		✓							✓					
4.	**CONSUMER PROTECTION**	1,2	5		2,3	2	1				2		5	2	3
a.	Termination of service (disconnect/reconnect) policy	✓	✓				✓								✓
b.	Utility consumer advocate office	✓✓			✓✓						✓			✓	✓
c.	Funding for intervenors in utility commission hearings				✓						✓		✓		
d.	Other				✓	✓									
5.	**CUSTOMER FINANCIAL ASSISTANCE**	3	5									1,5	4		2,2
a.	Cash assistance (utility voluntary funds)	✓	✓									✓			✓
b.	Reduced rates for low-income customers (e.g., lifeline rates)														✓
c.	Reduced rates for businesses for economic development														✓
d.	Cash assistance (state funds)		✓									✓	✓		
e.	Tax exemptions/credits														
f.	Other		✓									✓			
6.	**UTILITY MANAGEMENT**				5	5		2			3		1		1
a.	Management efficiency incentives							✓							
b.	Audits of utility companies				✓	✓		✓							
c.	Nuclear power plant safety										✓				
d.	Mergers and buyouts														
e.	Public sector takeover of utilities														
f.	Other												✓		✓
7.	**COMMISSION STRUCTURE AND PROCEDURES**	1,5	1		2,3	3		3							3,5
a.	Sunset review		✓					✓							
b.	Other					✓									✓✓
c.	Commissioner election/appointment	✓			✓✓			✓							
d.	Establishing an independent staff				✓✓										
8.	**POWER SUPPLY PLANNING**		2,3			2	4					4			
a.	Least-cost supply planning		✓✓			✓									
b.	Integrated resource planning		✓✓			✓	✓								
c.	Load forecasting standards														
d.	Supply planning by state agency or utility commission					✓						✓			
e.	Other		✓												
9.	**UTILITY DEREGULATION/ DIVERSIFICATION**	3	3												
a.	Rate flexibility	✓	✓												
b.	Utility diversification														
c.	Other														
10.	**RURAL COOP AND MUNICIPAL UTILITIES**					1							3	3	4
a.	State commission jurisdiction					✓									
b.	Governance standards and procedures														
c.	Joint action														
d.	Other												✓		✓

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).
✓ = Respondent from that state who selected the subissue.

Energy

The National Energy Strategy (NES), the Persian Gulf war, implementation of the Clean Air Act Amendments of 1990 (CAAA) and state revenue shortfalls have combined to make energy issues important for the states in 1992. With the rekindled interest in renewable energy sources, statewide energy plans and energy efficiency tax incentives, the 1992 legislative sessions are likely to remind many state legislators of the late 1970s. Regardless of the ultimate fate of the NES, states are pursuing aggressive improvements in the energy efficiency area.

In contrast to the 1991 *State Issues* survey results, there is a noticeable lack of interest in energy development regulation and safety, and a new interest in improved energy efficiency in both the public and private sectors. A majority (at least 33) of the legislatures in session this year will make energy efficiency gains in the residential and commercial sectors a top energy policy priority in 1992, including statewide energy planning, statewide building codes and low-income weatherization improvements. Energy efficiency in state governments, particularly fuel conservation and state building efficiency standards, are also important issues for state legislatures in 1992. Consumer financial incentives for conservation are likely to emerge as key energy issues as well in 1992 sessions.

Energy Efficiency in Residential and Commercial Sectors

Statewide Energy Planning and Management States are designing state energy strategies to insulate themselves from energy shortages and economic and social disruptions. Many states are forced to import more than 95 percent of their energy from outside their borders, and state legislators want to keep energy money in the state if possible. Most state energy plans include provisions to maximize conservation and use energy resources indigenous to the state. Many states are interested in duplicating successful state energy strategies similar to those already in place in New York and Iowa. Arkansas, Connecticut, Georgia, Maryland, Maine, Montana, New Mexico, Oregon, South Carolina, Texas and Washington will work on statewide energy strategy details in 1992.

Building Codes, Appliance Standards and Low-Income Weatherization Programs State legislatures continue to focus on the importance of low-income weatherization programs in achieving conservation goals, and the associated federal funds for managing these programs. The benefits of low-income and public housing weatherization projects are proven and well documented. Iowa, Maine, Minnesota, Oregon and Virginia enacted legislation in this area in 1991; Delaware, Iowa, Kentucky, New Jersey, Washington and a dozen other states plan to consider it this year.

With appliance efficiency levels virtually doubling over the last 10 years, state appliance standards are often out of date. The National Appliance Energy Conservation Act (Public Law 100-12) requires some appliances manufactured after January 1, 1990, to meet higher efficiency standards. Some states, including Hawaii, New York and Ohio, may attempt to require more stringent efficiency standards in 1992.

The success of state building codes like those in place in Wisconsin and Washington state has prompted other states to look at similar code requirements. In 1991, seven states enacted building code legislation and more states are expected to follow this path in 1992. Almost half the states responding to the *State Issues* survey expressed interest in considering such a policy this year.

Energy Efficiency in State Government

State revenue shortfalls have prompted legislatures to look for energy savings in state facilities; energy efficiency improvements in state buildings can save hundreds of millions of dollars per year. Lawmakers are interested in the environmental consequences of fuel choices as well. State policymakers have come to accept the environmental benefits and the regional and global economic benefits associated with energy efficiency improvements. State mandates for improvements in the efficiency of existing and new state buildings can also yield benefits for the environment. Less demand for electrical power usually results in lower sulfur dioxide (SO_2), nitrous oxide (NO_x) and carbon dioxide (CO_2) emissions. Possible global climate changes due to these emissions are still on the minds of state legislators. Maine, Maryland, Massachusetts, South Carolina, Connecticut and Hawaii mandated energy efficiency improvements for state buildings in 1991. This year at least half the states plan to consider standards for state buildings and equipment, including Connecticut, Michigan, Minnesota and Vermont.

Mandated Air Quality Improvements and Alternative Fuels

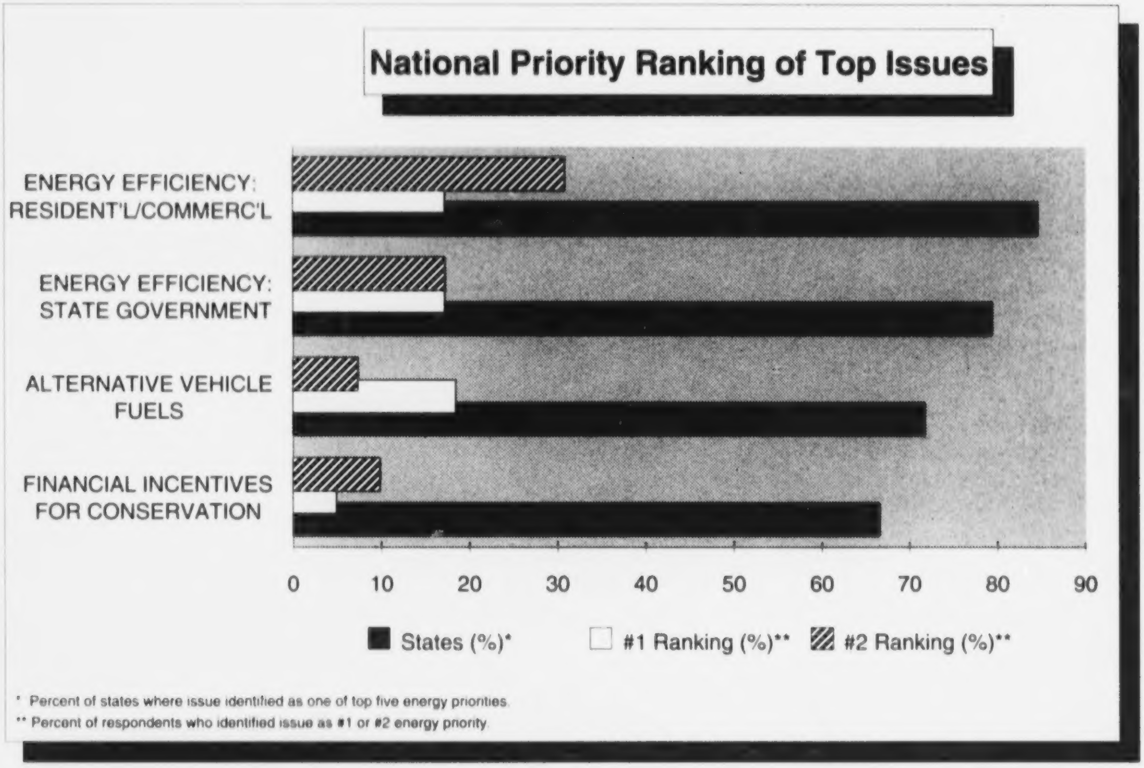
Mandating efficiency improvements in the transportation sector is difficult for state legislatures. This sector is the most dependent on petroleum and the least flexible in the short run. With the implementation of the federal Clean Air Act Amendments of 1990 (CAAA), the transportation sector will receive increased attention in 1992. The CAAA requires states and businesses that operate fleets of 10 or more vehicles to use alternative vehicle fuels for their fleets, if their air quality is poor. States with air quality problems will see major changes in their automobile tail pipe standards and their alternative fuel programs. Thirteen Northeastern states have already adopted California's tail pipe emission standards rather than waiting for the Environmental Protection Agency (EPA) to design new standards. Without adopting California's stringent standards, some states would not meet the standards mandated by the CAAA. Over half the states in session this year are likely to propose legislation to encourage use of alternative vehicle fuels.

The environmental benefits associated with the use of alternative fuels are attractive to state policymakers. No one alternative fuel is expected to dominate the national market. State legislatures are interested also in the economic benefits associated with establishing new businesses in the alternative fuels industry. For example, the infrastructure requirements for just one fuel, like compressed natural gas (CNG), are formidable. This is likely to lead to public/private partnerships within the alternative fuels industry in 1992. Such partnerships can provide legislators with a unique opportunity to combine economic development and environmental interests.

In addition, state lawmakers are looking for ways to reduce emissions and promote clean, efficient energy consumption while using an alternative fuel that is indigenous to the state. For example, natural gas vehicle incentives are popular where natural gas reserves are high. States are looking at new incentives for businesses and consumers to use indigenous alternative vehicle fuels. Nine states passed legislation calling for the use of indigenous fuels in 1991. West Virginia, for example, would like to see more methane produced from its vast supply of coal reserves. Sixteen states are looking at incentives for natural gas vehicles in 1992. Incentives will include tax exemptions for businesses that produce natural gas vehicles and rebates to consumers who purchase the vehicles. Some states have already deregulated the sale of natural gas for resale to vehicle end-users. Tax incentives for the domestic production of ethanol and methanol will be popular, and a number of multistate task forces will address incentives for these two fuels. Electric vehicle tax incentives and subsidies will continue to gain state legislative support in 1992.

Tax and Financial Incentives for Conservation

Oil overcharge funds have provided billions of dollars for state energy initiatives over the


National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five energy priorities.

** Percent of respondents who identified issue as #1 or #2 energy priority.

last decade. However, in many states oil overcharge funds are drying up. This decrease in funding has put pressure on state energy programs. In light of current economic conditions, it is not likely that state legislatures will pick up the tab for all of the energy programs that were funded by oil overcharge money. State legislators want oil overcharge funds to go to the programs with the greatest potential for future benefits; documented energy program results, therefore, will be more important than ever in 1992. Disputes over the last remaining oil overcharge fund appropriations are likely to be common.

Other Priority Issues

Another area of legislative interest in 1992 is telecommuting. Telecommuting programs allow the worker to use computers at home or at a regional "telework center" closer to home than the normal drive to work. State government pilot projects like those in Arizona, California and Washington are sure to gain interest in 1992. Other priority issues identified by *State Issues* respondents include a "gas guzzler" tax in Wisconsin, reorganization of state energy agencies in California, and use of Canadian hydropower in New York.

Energy research funding for universities in Oklahoma, and research and development initiatives for renewable and alternative fuels in Delaware will be important issues in those states. Still other energy issues likely to receive legislative attention are a possible power loss resulting from the protection of salmon runs in Washington state, the promotion of ethanol use in Missouri, and methods to reduce the greenhouse effect and ozone depletion in Massachusetts.

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Energy

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**ENERGY EFFICIENCY: RESIDENT'L & COMMERC'L**	**I**	**33**	**2**		**5**	**2**	**4**	**1,1**		**1,2**		**1,2**	**2,2,2,4**	**2,3,3**
a.	State-wide energy planning and management		30	✓		✓		✓	✓✓		✓		✓	✓✓✓	✓✓
b.	State-wide building codes (conservation & renewable energy)		22				✓		✓		✓		✓	✓	✓
c.	Renovation/weatherization of low-income and public housing		19	✓							✓✓				✓✓
d.	Appliance efficiency		13				✓		✓					✓✓	
e.	Other		6	✓											
2.	**ENERGY EFFICIENCY/STATE GOVERNMENT**	**II**	**31**			**2,4**			**1,2,4**		**1,2**		**4**	**1,2,5,5**	**4**
a.	Fuel conservation/alternative fuels in state-owned vehicles		26			✓✓			✓✓✓				✓	✓	✓
b.	Standards for state buildings and equipment purchases		25						✓✓✓		✓✓		✓	✓✓	✓
c.	State government use of indigenous energy resources		8												
d.	Other		7											✓	
3.	**ALTERNATIVE VEHICLE FUELS**	**II**	**28**			**1,3**	**1**	**2**	**3,4**					**3,3**	**1,1,3**
a.	Business tax incentives/subsidies		18			✓	✓		✓					✓	✓
b.	Incentives to consumers		16			✓	✓		✓✓					✓✓	✓✓✓
c.	Incentives to use indigenous resources (natural gas, coal, etc.)		13					✓						✓	✓
d.	Other		12				✓								✓
e.	Standards for fuels		10			✓									
4.	**CONSERVATION/RENEWABLES INCENTIVES**	**III**	**26**	**4**		**1,3**	**4**		**2,4,5**		**4**		**5**	**1,1,3,4**	**2,4**
a.	Tax incentives		17	✓		✓			✓✓					✓✓✓✓	✓✓
b.	Use of oil overcharge funds		16			✓	✓		✓				✓		✓
c.	State bonds, grants, and loans		10			✓									✓
d.	Other		5						✓		✓				
5.	**ENERGY DEVELOPMENT REGULATION & SAFETY**	**III**	**26**	**1,1**		**2**		**3**	**5**				**3**	**1,4**	**1,5**
a.	Aboveground storage tanks		14	✓✓		✓							✓	✓	✓✓
b.	Pipeline safety		9	✓✓											
c.	Oil and gas development regulation		8	✓											
d.	Nuclear power plant safety		7						✓						
e.	Other		7											✓	
f.	Coal development regulation		5												
g.	Abandoned mine safety		4			✓		✓							
h.	Tanker safety (within state waters)		4	✓✓										✓	
6.	**OIL/NAT GAS USE & PRODUCTION INCENTIVES**	**IV**	**19**	**2,3**				**1**	**3**						
a.	Natural gas vehicles		14					✓	✓						
b.	Exploration incentives		9	✓											
c.	Conversion to natural gas (power plants)		7												
d.	Other		4	✓✓											
7.	**ENERGY EFFICIENCY/LOCAL GOVERNMENT**	**IV**	**27**				**5**	**5**	**2,3**		**5**		**1**	**3**	**5**
a.	State aid to local gov'ts for conservation and renewables		15						✓✓				✓		✓
b.	State mandates: local gov'ts for conservation and renewables		13								✓		✓	✓	
c.	Land use planning for improved energy efficiency		13				✓	✓	✓		✓				
d.	Other		4												
8.	**COAL USE AND PRODUCTION INCENTIVES**	**IV**	**14**	**3,5**							**3**				**2**
a.	Incentives to use clean coal		7												✓
b.	Incentives to use indigenous coal resources		7												
c.	Financial incentives to the coal industry		6												
d.	Other		6	✓✓							✓				✓
e.	Conversion to coal-fired power plants		2												
9.	**NUCLEAR ENERGY INCENTIVES**	**V**	**11**						**5**						
a.	Other		7												
b.	Streamlined siting and permitting		3												
c.	Financial incentives		2												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top energy priority.

Note: No responses were received from (or issues identified for): AL, DC, FL, IN, NM, PR, and TN.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

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Energy

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.		3,5		2,4	3,5,5	4	2	2	2	1,1	1,1,2	4		2,3		1,4,5	3,3		1,2	2,2,3,5
a.		✓✓		✓	✓	✓	✓	✓	✓	✓✓	✓	✓		✓			✓✓		✓✓	✓✓✓✓
b.							✓	✓	✓	✓✓	✓✓✓			✓		✓✓✓	✓✓		✓✓	✓✓
c.		✓✓		✓	✓✓✓	✓	✓		✓	✓	✓✓						✓✓		✓✓	✓✓
d.				✓			✓		✓	✓	✓						✓		✓✓	✓✓
e.							✓	✓												
2.	3,4	2,3		3,5	2	4	3	1	1	2,2	1,1,3		4	5		2,2	1,1		3,4	1,2,3
a.	✓	✓		✓		✓		✓	✓	✓	✓✓✓		✓	✓			✓✓		✓✓	✓✓✓
b.		✓		✓	✓	✓		✓	✓	✓✓	✓✓		✓			✓	✓✓		✓✓	✓✓
c.		✓		✓	✓						✓									✓
d.							✓	✓			✓									
3.	3,4	1,2,2		1,2,2		3				4	2,3,3	1		4	1		4		4,5	1,1,4
a.		✓		✓		✓								✓	✓					✓
b.				✓		✓					✓									✓
c.	✓	✓✓✓		✓✓							✓✓									✓
d.										✓	✓	✓							✓✓	✓
e.		✓		✓							✓						✓			✓✓
4.	2,3				4,4			4		3,4,4	4,5	3	2,3			1,4	5		2	5
a.					✓✓			✓		✓	✓	✓	✓✓							✓
b.										✓	✓✓	✓	✓				✓		✓	
c.											✓		✓			✓				✓
d.										✓						✓✓				
5.	1	3,4		3,3	2,5	2			4	3,5	3,5		3	2		2,5	4			
a.				✓	✓				✓				✓							
b.				✓✓	✓	✓			✓	✓	✓✓						✓			
c.				✓	✓	✓				✓										
d.	✓	✓							✓		✓✓					✓				
e.					✓✓									✓		✓				
f.		✓✓			✓					✓	✓		✓							
g.					✓															
h.										✓										
6.				1,1	2	1	4	5		1	4	5	2,4	1						
a.				✓✓		✓	✓	✓		✓	✓	✓								
b.				✓	✓	✓				✓			✓✓							
c.				✓✓		✓				✓		✓	✓							
d.				✓			✓							✓						
7.	5	5			3			3	3	3,5,5	2,5		5			3	2,2		5	2,4
a.					✓						✓					✓			✓	✓✓
b.		✓							✓	✓✓	✓		✓						✓	✓
c.										✓✓	✓✓						✓✓			
d.								✓												
8.		1,1,4		4	1,1,1	5				2			1							1,3,5
a.		✓		✓	✓✓															✓✓
b.		✓✓								✓			✓							✓✓✓
c.		✓✓		✓	✓✓					✓										✓
d.																				
e.						✓				✓										
9.	1,2			5	3		1				2,4		1	1		3				
a.					✓		✓				✓✓		✓	✓		✓				
b.	✓												✓							
c.				✓																

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)
✓ = Respondent from that state who selected the subissue.

Energy

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**ENERGY EFFICIENCY: RESIDENT'L & COMMERC'L**	3			5	1,2			2,2	1	1,2	1,2	2,2	2	
a.	State-wide energy planning and management	✓			✓	✓✓				✓	✓✓	✓✓	✓✓	✓	
b.	State-wide building codes (conservation & renewable energy)				✓	✓✓				✓	✓	✓✓	✓✓		
c.	Renovation/weatherization of low-income and public housing									✓	✓	✓✓	✓	✓	
d.	Appliance efficiency									✓	✓				
e.	Other					✓			✓✓		✓				
2.	**ENERGY EFFICIENCY/STATE GOVERNMENT**	4,4			4	1,2	3			2	1,2	4,5	1,1	4	
a.	Fuel conservation/alternative fuels in state-owned vehicles	✓			✓	✓	✓			✓	✓✓	✓✓	✓✓		
b.	Standards for state buildings and equipment purchases	✓✓			✓	✓✓	✓			✓	✓✓		✓✓		
c.	State government use of indigenous energy resources					✓✓				✓				✓	
d.	Other					✓					✓		✓		
3.	**ALTERNATIVE VEHICLE FUELS**				1	4,5	1		1,1	4	5	3,4	4,5	5	1,4
a.	Business tax incentives/subsidies				✓	✓✓	✓		✓✓		✓		✓		✓✓
b.	Incentives to consumers				✓	✓✓			✓✓	✓	✓		✓	✓	
c.	Incentives to use indigenous resources (natural gas, coal, etc.)				✓	✓	✓					✓	✓		
d.	Other					✓			✓✓	✓		✓	✓		
e.	Standards for fuels									✓	✓	✓	✓		
4.	**CONSERVATION/RENEWABLES INCENTIVES**	2	2			3,3	2				4		3	3	
a.	Tax incentives	✓	✓			✓✓	✓				✓				
b.	Use of oil overcharge funds					✓✓	✓				✓		✓	✓	
c.	State bonds, grants, and loans		✓			✓✓					✓		✓		
d.	Other	✓													
5.	**ENERGY DEVELOPMENT REGULATION & SAFETY**	1	5		1		5					2	4		1,1
a.	Aboveground storage tanks		✓				✓					✓	✓		✓
b.	Pipeline safety											✓			
c.	Oil and gas development regulation	✓											✓		✓
d.	Nuclear power plant safety												✓		
e.	Other				✓								✓		✓
f.	Coal development regulation														
g.	Abandoned mine safety														✓
h.	Tanker safety (within state waters)		✓												
6.	**OIL/NAT GAS USE & PRODUCTION INCENTIVES**	1,2	4		2							3	1		3
a.	Natural gas vehicles	✓	✓		✓							✓	✓		
b.	Exploration incentives	✓✓			✓										✓
c.	Conversion to natural gas (power plants)	✓										✓			
d.	Other														
7.	**ENERGY EFFICIENCY/LOCAL GOVERNMENT**		3		3	5	4			3	3	5	3		
a.	State aid to local gov'ts for conservation and renewables		✓		✓		✓			✓	✓	✓	✓		
b.	State mandates: local gov'ts for conservation and renewables									✓	✓	✓			
c.	Land use planning for improved energy efficiency		✓			✓	✓			✓	✓	✓			
d.	Other				✓	✓						✓			
8.	**COAL USE AND PRODUCTION INCENTIVES**	3								5				1	2
a.	Incentives to use clean coal									✓					✓
b.	Incentives to use indigenous coal resources	✓								✓				✓	
c.	Financial incentives to the coal industry													✓	
d.	Other									✓				✓	✓
e.	Conversion to coal-fired power plants														
9.	**NUCLEAR ENERGY INCENTIVES**		1			4									
a.	Other		✓												
b.	Streamlined siting and permitting					✓									
c.	Financial incentives					✓									

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).
✓ = Respondent from that state who selected the subissue.

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Environment and Natural Resources

Solid waste management once again this year appears as a top priority among environmental issues facing state legislatures, according to *State Issues* respondents. State incentives and mandates for recycling, as well as public management and disposal, will garner the attention of well over half the states. Respondents have also indicated that water quality and air quality are both important issues on their environment and natural resources agendas for 1992.

Solid Waste Management

For the past several years states have focused much of their environmental agendas on solving the solid waste management crisis, and 1992 will be much the same. States are expected to use both conventional and innovative methods for addressing the management of the municipal solid waste (MSW) stream. Legislative approaches to MSW problems typically include source reduction, recycling and composting, incineration and landfill standards. However, several states have adopted a holistic approach to MSW management through a comprehensive plan that includes waste reduction, reuse and/or recycling, resource recovery, incineration and landfilling.

State Incentives and Mandates for Recycling Waste reduction is the most efficient method for reducing the volume and toxicity of generated waste simply because much of the waste is eliminated prior to its creation. At least 22 states plan to consider waste reduction plans this year, while 24 states will have market development incentives on their agendas.

One of the most important issues states will face is developing markets for the use of recycled materials rather than virgin materials. Some states have discovered that, without adequate markets to absorb these recyclables, the recycled materials end up in the landfill without being reused. Too often, Americans are willing to make the effort to recycle their used products, but are unwilling to purchase recycled products in the marketplace. Developing these markets requires careful planning, creative problem solving and a genuine commitment to reduce MSW.

Public Management and Disposal The most critical issue facing state legislators will be how to deal with the increasing amount of MSW as landfill space dwindles. The U.S. Environmental Protection Agency (EPA) Subtitle D Landfill Rules under the 1984 Hazardous and Solid Waste Amendments of the Resource Conservation and Recovery Act (RCRA) require states to make changes in landfill standards to prevent contamination of soil and underground water supplies. EPA expects that half of the nation's 6,000 landfills, many of them in rural areas, will be forced to close--partially because of noncompliance and partially because of an inability to comply due to economic constraints. In addition, 14 states plan to consider a stance on the interstate transportation of solid waste as the amount of landfill space in neighboring states decreases.

Water Quality

Groundwater Protection Groundwater protection continues to be a state prerogative in the absence of federal direction; at least 10 states plan to address groundwater issues in their 1992 sessions. Congress has failed to enact legislation aimed specifically at protecting groundwater, although bills have been introduced each of the past several years. The EPA's 1991 Groundwater Task Force Report emphasizes that states should have primary responsibility for groundwater protection; EPA's role would be limited to supporting state development of comprehensive programs that adequately protect the resource.

Setting standards for groundwater quality has been the principal area of legislative concern. Standards measure the degree of groundwater contamination; when exceeded, they trigger enforcement actions that regulate discharges of pollutants into aquifers. Reducing the use of agricultural chemicals--pesticides and fertilizers--that may contaminate groundwater also has been the focus of state legislation. It is a top priority on state agriculture agendas according to the agriculture section of this year's *State Issues* survey. Other groundwater concerns relate to underground storage tanks (preventing petroleum leaks and ensuring financial responsibility for cleanup and third-party damages) and wellhead protection (land use measures designed to regulate pollutant discharges into underground drinking water supplies).

Alternative Financing Mechanisms The 1986 Safe Drinking Water Act (SDWA) amendments and the 1987 Clean Water Act (CWA) amendments shifted major program responsibilities to the states while reducing long-term financial assistance for implementing federal mandates. Serious general fund shortfalls have forced states to look at alternative funding mechanisms (AFMs) to fill the gap. The most common AFMs are fees, dedicated taxes and bond proceeds.

Assessing fees is an attractive option because of the direct relationship between the pollution source (the party receiving a service) and the costs of mitigation (the service provided). Typical water quality fees include user fees, permit fees, discharge fees and impact development fees.

While fees attempt to tie the source of a water quality problem to the expenditure of revenue raised, taxes are designed to generate larger sums of money for broad-based efforts. They generally are assessed against the beneficiaries of clean water rather than on the users or producers of a product that ends up in the waste stream. At the state level, they are charged on income or sales; at the local or district level, they usually are assessed on property.

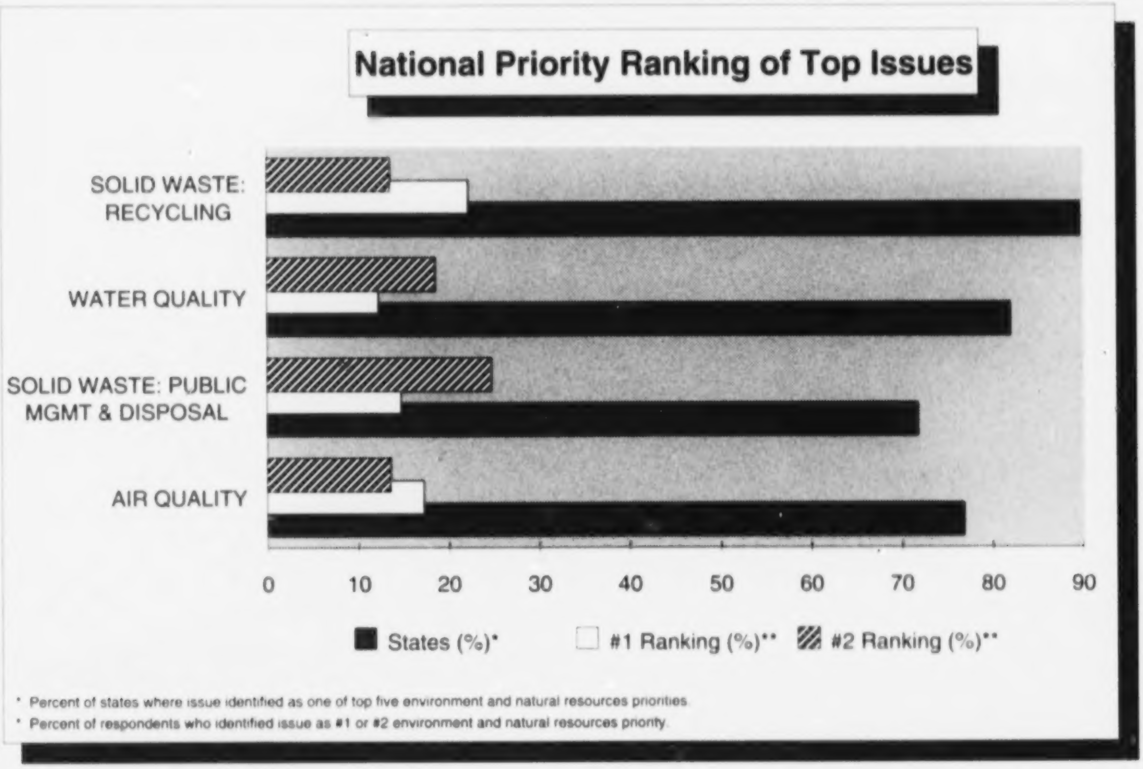
Drinking Water The 1986 SDWA amendments dramatically increased the program responsibilities and costs of implementing federal requirements to states. States will incur costs not only to enforce new drinking water standards, but to provide technical and financial assistance to water supply systems for compliance with the SDWA. Respondents from 17 states indicated they will address drinking water issues this year.

The three basic policy areas on which states will concentrate are: alternative funding mechanisms (both to cover program administrative costs and to provide financial assistance to water supply systems for capital improvements), enforcement, and ensuring the viability of small water systems. AFMs will be similar to those discussed above. More efficient enforcement of drinking water regulations may be achieved through administrative fines and penalties. Ensuring the viability of small water systems--those most likely to fail to comply with the SDWA requirements--involves state financial, technical and management reviews of proposed new systems to preclude the formation of water suppliers that may fail and leave consumers without safe drinking water. Consolidating small existing systems and providing for receivership and takeover of failing systems are other options.

Air Quality

Automobile Emission Standards The principal air quality concern facing legislatures in 1992 relates to reducing emissions from motor vehicles. The *State Issues* survey results indicate that 17 states will consider emission standards in their 1992 sessions.

The United States has 175 million vehicles on its roads. One hundred twenty million people continue to live in areas that exceed one or more national air quality standards. Automobile emissions, especially carbon monoxide (CO), are responsible for poor air quality in many urban areas. The Clean Air Act Amendments (CAAA) of 1990 generated considerable state activity in the automobile emission standards area; 1992 will see increased activity in this area, with



National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five environment and natural resources priorities.

* Percent of respondents who identified issue as #1 or #2 environment and natural resources priority.

at least 17 states planning to address the issue. Stringent tail pipe emission standards are required for new 1994-model automobiles, and states have the option of adopting California's emission standards or less stringent federal standards.

Twelve Northeastern states and the District of Columbia have already publicly expressed their intent to meet the California standards. The 12 states are Massachusetts, New York, Rhode Island, Connecticut, New Jersey, Vermont, Virginia, Maryland, Delaware, Maine, Pennsylvania and New Hampshire. For automobiles generally, California standards will cut volatile organic compounds (VOCs) by approximately 30 percent and nitrous oxide (NO_x) by 60 percent.

Most alternative fuels can reduce air pollutants such as ozone and carbon monoxide, while some alternative fuels can actually increase emissions of other pollutants. There are a number of alternative fuels that will probably enter the national market simultaneously. In many cases, the alternative fuel of choice for states is dependent on resources that are indigenous to the particular state. West Virginia, for example, is interested in methane produced from coal.

Other Priority Issues

Other priority issues identified by respondents include household hazardous waste management in New Hampshire, controls on clear cut logging in California and Washington, environmental agency reorganization in Oklahoma, non-game wildlife funding in Idaho, and aquatic land management in Washington state.

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Environment and Natural Resources

MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1. SOLID WASTE: RECYCLING	I	34	5	3	4,4	4			1	3,5,5		1	3,3	1,1,4
a. Market development incentives		24			✓✓				✓	✓		✓	✓✓	✓✓✓
b. Waste reduction mechanisms		22	✓		✓✓	✓				✓			✓	✓✓✓
c. Mandated recycling (e.g., bottle bills, source separation)		22		✓	✓	✓			✓	✓			✓	✓
d. Plastic containers and packaging		21			✓	✓				✓✓			✓	✓✓
e. Orphan waste (e.g., batteries, oil, tires)		16			✓					✓		✓	✓	✓
f. State procurement policies		13	✓		✓								✓	
g. Other		6				✓				✓			✓	✓
2. WATER QUALITY	II	32		1	1,3		2,3			1,2,4			1,2	2
a. Groundwater protection		20			✓✓					✓✓			✓	✓
b. Nonpoint source pollution programs		19			✓					✓✓			✓✓	✓
c. Alternative financing mechanisms		18			✓		✓			✓			✓	✓
d. Wastewater treatment programs		17		✓	✓✓					✓			✓✓	✓
e. Drinking water		17			✓✓		✓			✓			✓	✓
f. Other		7												
3. SOLID WASTE: PUBLIC MGMT AND DISPOSAL	II	28	2	3,4					2					2,2
a. Landfill siting and standards		16		✓✓										✓
b. Requirements for local government planning		14												
c. Interstate transportation and disposal		14												✓
d. Statewide planning		13												
e. Waste-to-energy/incineration		13							✓					✓✓
f. Other		10	✓											
4. AIR QUALITY	II	30			1		2,3		5	1,2,5		2	4	3,4,5
a. Automobile emission standards		17			✓					✓✓✓		✓		
b. Mandated fuels (oxygenated and alcohol blends)		15			✓		✓		✓	✓				✓✓
c. Toxic discharge regulation		14			✓					✓				
d. Carbon dioxide (CO) reduction		14			✓		✓			✓				
e. Chlorofluorocarbon (CFC) regulation		12			✓									
f. Indoor air quality		7			✓								✓	
g. Other		7												✓
h. Acid rain		4			✓									
5. HAZARDOUS WASTE MANAGEMENT	III	30		5	3		4,5		3				5,5	3,3
a. Source reduction		19		✓	✓				✓				✓	✓✓
b. Landfill siting and standards		18			✓		✓						✓	✓
c. Alternative disposal methods (e.g., incineration)		12			✓		✓							
d. Liability issues		12			✓									
e. Funding mechanisms		10												✓✓
f. Federal defense site cleanup		6											✓	
g. Other		5												
6. LAND USE	III	27	4		5,5	1	4			1,3,4			1,2	4
a. Wetlands/critical areas protection		21	✓		✓	✓				✓✓✓			✓	✓
b. Growth management		12			✓✓	✓				✓✓✓			✓	
c. Other		12			✓✓								✓	
d. Infrastructure requirements		9	✓		✓		✓			✓			✓	
e. Mitigating development impacts		7			✓		✓			✓✓				
7. WATER ALLOCATION	IV	20	3	1,2	2	2	1,1			4			4	5
a. Water conservation		15			✓	✓	✓			✓			✓	✓
b. Water transfers		12		✓	✓	✓	✓							
c. Other		10	✓	✓	✓					✓				✓
d. Drought mitigation		4				✓								
8. TOXIC SUBSTANCES	IV	17	1	5	2	5	5		4					
a. Prohibitions on discharge		8			✓									
b. Emergency response		8	✓	✓		✓								
c. Toxic use reduction (pollution prevention)		8			✓									
d. Other		5	✓			✓			✓					
e. Notification of exposure		4												
f. Lead reduction		2												
9. STATE PARKS	V	11		2,4						2,3		3		5
a. Funding and fees		9		✓						✓				
b. Park improvement		9		✓								✓		✓
c. Land acquisition		3		✓						✓✓		✓		

NAT'L RANK = National priority level (see Introduction)

STATE TOTAL = Number of states where issue identified as a top env. and natural res. priority

Note: No responses were received from (or issues identified for): CT, FL, IN, NC, NE, NM, and PR

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

Environment and Natural Resources

	ID	IL.	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**3,5**	**1,1,2**		**2,2**	**2,2**	**3,5**	**1**	**3**	**2,2**	**2,3,3,3**	**1,1,3,4**	**3**	**1**			**3,3**	**4**		**1,2**	**1,1,1,2,4**
a.	✓	✓✓			✓✓		✓	✓		✓✓✓	✓✓	✓	✓						✓	✓✓✓✓
b.		✓		✓✓	✓		✓		✓✓	✓	✓✓✓					✓	✓		✓✓	✓✓✓✓
c.	✓	✓✓✓		✓	✓✓	✓✓	✓		✓	✓✓✓✓	✓		✓			✓			✓	✓✓✓
d.		✓✓		✓✓	✓	✓	✓		✓✓		✓✓✓✓					✓✓			✓✓	✓
e.							✓		✓				✓			✓			✓	✓✓✓✓
f.	✓	✓			✓		✓		✓	✓							✓			✓✓✓✓
g.																				
2.	**1,2,2**			**1,3,4**	**4,4,5**	**2,4**	**3**	**2**	**3,5**	**1,1,2,4**	**3**	**3,5**	**3,3**				**1**		**4**	**1,5,5,5**
a.	✓✓✓			✓✓	✓✓	✓			✓				✓✓				✓		✓	✓✓✓✓
b.	✓✓			✓✓	✓	✓✓		✓	✓✓		✓		✓				✓			✓✓✓
c.	✓✓				✓	✓	✓			✓✓✓✓		✓	✓✓							
d.					✓		✓		✓	✓✓	✓		✓✓							
e.	✓✓✓			✓✓					✓	✓		✓							✓	✓
f.	✓									✓✓✓		✓								
3.	**1,3,4**	**2,2,4**		**1,3,5**	**1,1,1**	**4,5**			**1,3**	**5**	**1,2**	**2,5**	**2**			**2**			**2,3**	**2,2,2**
a.	✓✓	✓✓✓		✓✓	✓✓	✓✓			✓✓		✓✓								✓	✓✓
b.	✓✓	✓		✓	✓✓✓				✓				✓			✓			✓✓	✓✓✓
c.		✓✓✓		✓✓	✓	✓			✓			✓	✓							
d.	✓				✓✓✓				✓✓				✓						✓	✓✓
e.		✓✓		✓		✓✓			✓		✓✓								✓	✓
f.	✓										✓	✓							✓	✓
4.		**1,4**		**3**	**4,5**	**1,2**	**5**	**4**	**4**	**1,1,2,4**	**1,2,3,4**	**1,1**				**2,4**			**1,3**	**1,2,3,5**
a.		✓✓				✓		✓		✓✓✓	✓	✓				✓✓			✓✓	✓✓✓
b				✓		✓				✓✓	✓								✓	✓
c.		✓			✓	✓✓			✓	✓✓	✓✓✓✓								✓	✓✓
d.		✓✓							✓	✓	✓	✓✓				✓			✓	✓
e.		✓✓				✓	✓		✓		✓	✓				✓				
f.		✓							✓											
g.					✓					✓✓		✓✓							✓	
h.										✓										
5.	**4,4,5**	**5,5**		**5**	**3,3**	**1**	**2**	**5**	**1**	**4**	**2,2,5**	**4**	**2,4**			**1**	**2**			**3,3,3,4,4**
a.		✓		✓	✓✓				✓	✓	✓		✓✓				✓			✓✓✓
b.	✓	✓✓				✓			✓		✓		✓✓							✓
c.		✓✓		✓		✓			✓				✓✓			✓	✓			✓✓✓✓
d.	✓						✓		✓	✓	✓		✓							✓
e.							✓		✓		✓					✓				✓
f.	✓						✓		✓											✓✓
g.	✓✓						✓	✓				✓								✓
6.		**3,4,5**					**4**	**1**	**5**	**2,3,5,5**	**3**	**4**	**5**			**1,5**	**5**		**5,5**	
a.		✓✓✓					✓		✓	✓✓	✓	✓	✓			✓✓	✓		✓✓	
b.								✓		✓✓	✓								✓	
c.							✓			✓	✓					✓	✓		✓✓	
d.										✓										
e.		✓								✓✓										
7.	**1,3**			**1,2,4**	**5**								**1,5**			**5**	**3**		**4**	
a.	✓			✓✓	✓								✓✓			✓	✓		✓	
b.	✓✓			✓✓✓									✓✓				✓			
c.	✓✓												✓							
d.				✓															✓	
8.		**3,3**			**2,3**	**3**				**4**	**2,2,4**									**3,4,4,5**
a.					✓	✓				✓	✓✓									✓
b.					✓✓															✓
c.		✓				✓					✓✓									✓✓✓
d.											✓									
e.		✓			✓✓	✓														
f.										✓										
9.				**4,5**					**4**		**5**									
a.				✓✓					✓		✓									
b.				✓✓					✓		✓									
c.																				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

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Environment and Natural Resources

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**SOLID WASTE: RECYCLING**	3,4,5	5			1	5	1	2		1	1,5			4,5
a.	Market development incentives	✓	✓					✓	✓			✓✓			✓
b.	Waste reduction mechanisms	✓				✓		✓			✓				✓
c.	Mandated recycling (e.g., bottle bills, source separation)					✓		✓							
d.	Plastic containers and packaging	✓				✓		✓			✓	✓			✓
e.	Orphan waste (e.g., batteries, oil, tires)	✓	✓			✓		✓	✓						
f.	State procurement policies							✓	✓						
g.	Other						✓					✓			
2.	**WATER QUALITY**	2,2,4	2		3,4	5	2	4	3	5	2,3	3	2,4	3	
a.	Groundwater protection	✓	✓				✓	✓			✓	✓	✓✓		
b.	Nonpoint source pollution programs		✓		✓			✓				✓	✓✓		
c.	Alternative financing mechanisms	✓	✓					✓	✓	✓	✓				
d.	Wastewater treatment programs		✓		✓			✓				✓	✓	✓	
e.	Drinking water		✓					✓	✓	✓	✓				
f.	Other	✓									✓	✓	✓		
3.	**SOLID WASTE: PUBLIC MGMT AND DISPOSAL**	2,5	4		1,2	2,2	1	2	4	4	1,4	2			1,1
a.	Landfill siting and standards	✓			✓✓	✓✓		✓			✓✓				
b.	Requirements for local government planning					✓		✓	✓		✓				✓
c.	Interstate transportation and disposal	✓	✓					✓	✓	✓					✓✓
d.	Statewide planning	✓				✓✓		✓	✓	✓	✓				✓
e.	Waste-to-energy/incineration				✓			✓		✓	✓				
f.	Other	✓					✓				✓	✓			
4.	**AIR QUALITY**		2,4		1,4	5		4	1	3	2,3		1	5	2
a.	Automobile emission standards				✓			✓	✓		✓✓		✓		
b.	Mandated fuels (oxygenated and alcohol blends)		✓								✓		✓	✓	
c.	Toxic discharge regulation		✓								✓✓		✓	✓	
d.	Carbon dioxide (CO) reduction							✓			✓		✓		
e.	Chlorofluorocarbon (CFC) regulation		✓		✓			✓					✓		
f.	Indoor air quality					✓		✓	✓						
g.	Other									✓	✓				
h.	Acid rain		✓					✓							
5.	**HAZARDOUS WASTE MANAGEMENT**	1,1,3	1			1,4		3	5		4		5	4	3,4
a.	Source reduction		✓			✓					✓		✓	✓	
b.	Landfill siting and standards	✓	✓			✓✓		✓					✓	✓	✓
c.	Alternative disposal methods (e.g., incineration)							✓			✓				
d.	Liability issues							✓			✓		✓	✓	
e.	Funding mechanisms	✓✓							✓				✓		✓
f.	Federal defense site cleanup							✓							
g.	Other														
6.	**LAND USE**	3	5		2,5	4				1	5,5	4,5	2,3	2	
a.	Wetlands/critical areas protection	✓	✓		✓	✓							✓✓		
b.	Growth management		✓							✓	✓		✓		
c.	Other	✓									✓	✓		✓	
d.	Infrastructure requirements									✓	✓		✓		
e.	Mitigating development impacts										✓		✓		
7.	**WATER ALLOCATION**		3		3,5				2	2		1,3			
a.	Water conservation				✓							✓✓			
b.	Water transfers		✓		✓					✓		✓			
c.	Other								✓	✓		✓			
d.	Drought mitigation		✓												
8.	**TOXIC SUBSTANCES**		3			3,3	4						3,4		3
a.	Prohibitions on discharge					✓							✓✓		
b.	Emergency response					✓							✓		✓
c.	Toxic use reduction (pollution prevention)		✓			✓✓							✓✓		
d.	Other						✓								
e.	Notification of exposure		✓												
f.	Lead reduction		✓												
9.	**STATE PARKS**	4,5	1				3								2,5
a.	Funding and fees	✓	✓				✓								✓✓
b.	Park improvement	✓	✓												✓
c.	Land acquisition														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue.

Fiscal

State budget plans for FY1992 present a paradox: record-breaking tax increases and near-record lows in expenditure increases. Much of the revenue growth expected for FY1992 will be used to rebuild state reserves and repay deficit spending in FY1991. K-12 education and health care finance--especially Medicaid--will also be high priorities in many 1992 legislative sessions.

Revenue Management

General Revenue Projections for FY1992
Growth for FY1992 is projected at $24.8 billion, a growth rate of 9 percent. Inflation (projected at 4 percent for FY1992) will account for about four of those percentage points of growth, since inflationary growth in the economy is approximately echoed in state tax collections. Legislative enactments from 1991 will increase tax and other revenues for FY1992 by $19.4 billion.

Expenditure Growth for FY1992
Appropriations for FY1992, as shown in Table 1, are $13.9 billion or 4.9 percent above reported FY1991 expenditures. Allowing for inflation at 4 percent, the real growth rate of 0.9 percent is the lowest since 1983. The projected increase is slightly below the increase of 5.2 percent reported for FY1991 over FY1990.

The nominal growth in appropriations is $10.9 billion below projected general revenue growth. Of that $10.9 billion, state reports show that $2.2 billion will be added to reserves. The remainder, $8.7 billion, will be transferred from state general funds to other state funds, much of which is likely to constitute repayments for amounts used to bring state general funds into balance in FY1991. Thus it appears that much of the growth in general revenue expected in FY1992 will be absorbed by the general fund shortfalls of FY1991.

Nine states have reduced appropriations for FY1992 below the level of FY1991 expenditures. A year ago, only one state--North Dakota--reported that it had cut appropriations for FY1991 below the 1990 level of spending, and in that case the reduction was 0.1 percent. Projected cuts for FY1992 range much higher: 6 percent for Minnesota and 4.3 percent for Virginia.

Tax Policy Despite strong sentiments around the nation to avoid tax increases (some states enacted deep budget cuts to avoid them), two-thirds of the states enacted net tax increases for FY1992, and over a dozen states plan to consider increases in 1992 sessions. However, the $16.2 billion tax increase does not accurately depict the tax environment in most states. California's $6.6 billion tax package represents 39 percent of the total increase. Pennsylvania's $3.2 billion increase accounts for about 20 percent of the total. In combination, these

Table 1. SUMMARY OF PROJECTED STATE GENERAL FUND REVENUES AND EXPENDITURES, FY1990 TO FY1992 (billions of dollars)

	FY1990	*FY1991*	*FY1992*
REVENUES	$267.3	$277.0	$301.8
Change from previous FY	--	$9.7 (3.2%)	$24.8 (9.0%)
EXPENDITURES	$269.3	$283.9	$297.8
Change from previous FY	--	$14.5 (5.2%)	$13.9 (4.9%)

Source: NCSL calculation based on survey of legislative fiscal officers, Summer 1991.

two states represent over half of the total state tax increase for FY1992.

The states have focused on the major taxes: personal income, sales and use, and corporation income. These taxes are the anchors of state tax systems and have the potential to raise substantial amounts of revenue with relatively small increases in rates. The emphasis on these taxes is one indicator of the severity of state fiscal problems.

In addition to raising taxes for FY1992, many states also increased revenues from other sources, such as increasing various fees and accelerating tax collections. Considering only *tax* changes, therefore, understates the size of state *revenue* increases. For example, although New Jersey is credited with a net tax decrease (it repealed the sales tax on household paper products), it accelerated the collection of public utilities taxes, which will raise $620 million in one-time revenue for FY1992.

The state revenue increase from non-tax sources for FY1992 is approximately $3.2 billion. Combined with the net tax increase, states have enacted changes to increase total FY1992 revenue by $19.4 billion.

Despite the attention focused on the tax increases enacted in California and Pennsylvania, other states also increased taxes substantially. Twelve additional states, mostly concentrated east of the Mississippi, raised taxes by more than 5 percent of previous year collections. Only six states reduced taxes and the amounts were modest; nine states reported no major tax actions.

Expenditure Policy The projected increase in state spending for FY1992 is the lowest in almost a decade. Low revenue growth kept overall state appropriations for FY1992 down to a 4.9 percent increase. The appropriations increase for FY1992 represents only a 0.9 percent increase in spending in real dollar terms--apparently the smallest increase in real state spending since 1983.

The enormous growth rate of expenditure categories like Medicaid and corrections, combined with deferred FY1991 spending demands in areas like education, AFDC and capital budgets, will make sticking to austere FY1992 budget plans a near impossibility.

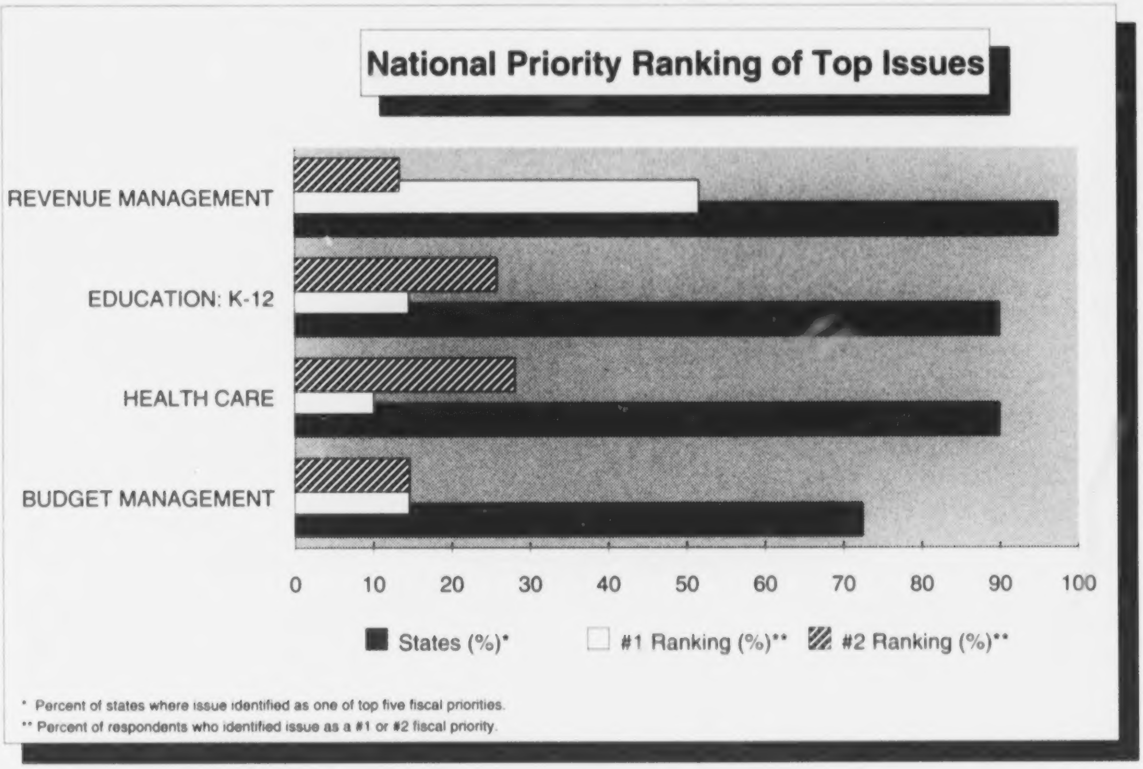
K-12 Education

Most states responding to the *State Issues* survey indicated K-12 funding to be a top fiscal priority this year. That K-12 spending in FY1991 fell short of budgeted levels and in many cases was reduced below previous fiscal year levels was one of the big stories of the 1991 legislative sessions. Ten states and the District of Columbia reported *decreases* in state general fund spending on K-12 education in FY1991:

	Decrease (%)
New Hampshire	63.3
Rhode Island	36.7
Florida	24.0
Indiana	18.9
South Carolina	14.4
District of Columbia	12.7
Maine	5.8
Wyoming	5.5
Mississippi	4.0
Ohio	3.7
Michigan	3.1

On average, states plan to increase general fund spending on K-12 education by 8.9 percent in FY1992. The national average is driven by California's catch-up spending increase, however. Of the national total of $8.9 billion in new dollars, 40 percent ($3.5 billion) is California's. For the other states, the average increase for FY1992 is 6.4 percent. Four states and the District of Columbia have projected *decreases* for FY1992:

	Projected Decrease (%)
Tennessee	6.4
Virginia	6.4
District of Columbia	1.2
North Carolina	1.2
Kansas	0.9



National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five fiscal priorities.

** Percent of respondents who identified issue as a #1 or #2 fiscal priority.

This year's education appropriations are unusual for the vast disparities among the states. Oregon and Montana increased appropriations to schools by more than 50 percent, while Rhode Island and New Hampshire made significant decreases in state aid. Most of the extreme changes can be explained by reform and realignment of intergovernmental finance responsibilities between state and local governments in these states. Oregon, for example, replaced local tax support for schools with state money in response to a referendum.

Health Care

Appropriations for Medicaid for FY1992 increased more than four times faster than overall general fund appropriations (21.8 percent compared to 4.9 percent). Medicaid appropriations have outpaced most other components of state spending in recent years and grew faster than any other area again this year. Unfortunately for state budgeters, actual spending on Medicaid in FY1992 is again likely to exceed current Medicaid spending projections.

Agreement between the federal government and states on the controversial use of provider taxes and voluntary contributions from health care providers brought some breathing room. If the Health Care Financing Administration (HCFA) restrictions on those sources of funding had stood, states would have been forced to replace the provider revenues. That would have cut billions of dollars from general revenue funds over the next few years.

Other Priority Issues

Other top priority issues identified by *State Issues* respondents include workers' compensation in California and Maine (covered in more detail in the Labor section of this report) and capital improvements in Ohio and Oklahoma.

NCSL Staff Contact: Ron Snell (Denver Office)

Fiscal

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**REVENUE MANAGEMENT**	**I**	**39**	**4**	**3**	**1**	**1**	**1,1**	**2**				**1,2**		**2**
a.	Revenue for continuation-level budget for 1992		35		✓	✓	✓	✓	✓						✓
b.	Revenue to meet programmed expenditures for 1991		32		✓	✓	✓		✓				✓		✓
c.	Cut in the budget		30	✓		✓	✓	✓✓	✓				✓		✓
d.	Increase in fees/charges		19	✓			✓						✓✓		✓
e.	Increase in taxes		16		✓		✓	✓✓							
f.	Other		8												
g.	Reduction in taxes		7						✓						
2.	**EDUCATION: K-12**	**II**	**36**	**3,3**	**1**	**1,2**	**3**	**2,4**	**4**				**2,3**	**2,2,3,3,4**	**5**
a.	Improve interdistrict equity		23			✓✓			✓				✓		
b.	Other		22	✓✓		✓		✓✓					✓✓	✓✓✓✓✓	
c.	Increase overall funding level		18	✓	✓		✓							✓✓	
d.	Increase state share of funding		17		✓		✓								✓
e.	Increase local share of funding		2		✓			✓							
3.	**HEALTH CARE**	**II**	**36**	**1**	**4**	**3,5**	**5**	**2**					**5**	**1,1,2,5**	
a.	Medicaid		26	✓	✓	✓		✓							
b.	Indigent health care		25		✓	✓	✓							✓	
c.	Long-term care		22	✓		✓	✓							✓✓✓✓	
d.	Other		22	✓				✓					✓	✓	
e.	Mental health services		15	✓	✓	✓								✓✓✓	
f.	Care of AIDS patients		5											✓	
4.	**BUDGET MANAGEMENT**	**III**	**29**	**1,2**			**2**		**1**				**1**		**1**
a.	Other		17	✓			✓						✓		
b.	Enact spending limit		13	✓											✓
c.	Create budget stabilization fund		7												✓
d.	Respond to voter-approved tax or budget limitations		6						✓						
5.	**EDUCATION: HIGHER EDUCATION**	**IV**	**25**	**5**	**2**		**4**	**5,5**					**4**	**2**	
a.	Operations		20	✓	✓		✓	✓					✓		
b.	Spending oversight and accountability		15				✓	✓					✓		
c.	Capital		10				✓							✓	
d.	Research incentives		5		✓										
e.	Other		5					✓							
6.	**SOCIAL SERVICES**	**IV**	**19**					**3**					**5,5**	**2,3,4**	**4**
a.	Child care		10										✓	✓✓	
b.	Other		9					✓					✓	✓	✓
c.	Implementation of Family Support Act		8											✓	
d.	Child welfare		8											✓✓	
e.	Job training		7										✓		
f.	Alcohol/drug abuse prevention		6												✓
7.	**ENVIRONMENT: FINANCE AND FUNDING**	**IV**	**10**	**4**	**5**	**4**		**3**						**2,4,5**	
a.	Solid waste management: Finance mechanisms		14	✓	✓									✓✓✓	
b.	Hazardous and toxic waste cleanup		9	✓		✓								✓✓✓	
c.	Water supply systems		8	✓	✓									✓	
d.	Waste water systems		6		✓									✓✓✓	
e.	Air pollution control		6			✓		✓							
f.	Other		5												
8.	**COURTS AND CORRECTIONS**	**IV**	**24**	**5**		**2,3**		**4**						**3,5**	
a.	Alternatives to incarceration		20	✓		✓✓								✓✓	
b.	Operational costs		17	✓											
c.	New prison construction		15			✓								✓✓	
d.	Other		8			✓									
9.	**STATE GOVERNMENT EMPLOYEES**	**IV**	**20**			**5**			**3**				**4**		**3**
a.	Salaries		15			✓							✓		✓
b.	Health care costs		11						✓						
c.	Reductions in force		10						✓				✓		✓
d.	Benefits for active employees		8						✓						✓
e.	Pension benefits		8			✓			✓						
f.	Other		7												
g.	Pension finance		6												
10.	**TRANSPORTATION**	**V**	**13**	**2**		**4**			**5**				**3**	**1,1,1,3,4**	
a.	Highway finance		11	✓		✓							✓	✓✓	
b.	State aid to local governments		7	✓		✓			✓					✓✓✓	
c.	Mass transit finance		6						✓				✓	✓✓✓✓✓	
d.	Diversion/dedication of user fees		5	✓		✓								✓	
e.	Airport finance and user fees		3											✓✓	
f.	Other		1												
11.	**LAW ENFORCEMENT**	**VI**	**1**												
a.	Other		1												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top fiscal priority.

Note: No responses were received from (or issues identified for): DC, DE, FL, MA, NM, and PR.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Fiscal

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	1,5	1,2,2,3	1	1,2,2,2	1,1	1		1	1,1,1	1,1,3,4	1,1,3,3	1,1	5	1	1	1,2	1		3	1,3,4
a.	✓✓	✓✓	✓	✓✓✓	✓✓	✓		✓	✓✓✓	✓	✓✓✓	✓✓		✓		✓	✓		✓	✓✓
b.	✓	✓✓	✓	✓	✓	✓		✓	✓✓✓	✓✓✓	✓✓	✓✓		✓		✓✓	✓			✓
c.		✓✓✓✓	✓	✓✓✓	✓			✓	✓✓	✓✓✓✓	✓✓	✓				✓	✓		✓	✓
d.		✓		✓				✓	✓	✓✓✓	✓	✓✓		✓		✓				✓
e.		✓		✓✓				✓				✓✓				✓✓	✓		✓	✓
f.			✓	✓											✓	✓			✓	
g.										✓✓	✓					✓	✓			
2.	1,3,4	3,4,5	5	1,1,3,3	3,3	4			3,3	1,2,2,2	3,4,5	2,2	2	2	3				2	1,1,2,3,4
a.	✓✓	✓✓	✓	✓✓✓		✓			✓	✓✓✓	✓✓✓	✓		✓					✓	✓✓✓✓✓
b.	✓✓		✓	✓	✓				✓		✓	✓			✓				✓	✓✓
c.	✓			✓		✓				✓✓	✓✓	✓✓		✓						✓
d.		✓✓		✓✓✓	✓					✓✓✓✓		✓✓		✓	✓				✓	
e.																				
3.	2,2	1,2,2,3	3	2,3,4,4	2,2			4	2,3,5	2,3,4	1,2,5	3	3	2	5	5,5	2		1	1,1,2,2,2
a.		✓✓✓✓	✓	✓✓✓	✓✓			✓	✓✓✓	✓✓	✓✓	✓					✓		✓	✓✓✓✓
b.	✓✓	✓✓		✓✓✓	✓				✓✓	✓	✓	✓		✓	✓	✓✓	✓			✓✓✓
c.	✓	✓✓	✓	✓✓					✓✓✓	✓	✓✓			✓		✓			✓	✓✓✓
d.	✓	✓		✓	✓					✓	✓✓✓	✓		✓		✓				✓✓
e.	✓			✓					✓✓		✓				✓					
f.									✓✓✓			✓								
4.	1,2	1,1	2	1	4				2,2	5	2,3	3		1,3		2,3			5	4,5,5
a.		✓	✓	✓						✓						✓			✓	✓
b.			✓						✓		✓✓			✓						✓
c.		✓			✓				✓			✓		✓✓						
d.	✓✓	✓							✓		✓									
5.				5	4,5	3		3	4		2,2,4	4,4	1	4	2		5			3
a.				✓				✓	✓		✓	✓		✓	✓		✓			✓
b.				✓	✓				✓		✓✓	✓		✓	✓					
c.					✓	✓						✓		✓						✓
d.						✓									✓					✓
e.											✓						✓			
6.	3	4,4,5		3,4,4,5		5				1,3,3		5				4			4	3
a.		✓		✓✓✓		✓				✓		✓								✓
b.				✓						✓✓									✓	
c.	✓			✓								✓								
d.	✓	✓✓✓		✓✓✓✓						✓										
e.						✓				✓✓		✓								✓
f.		✓✓										✓								✓
7.	5,5				5					4			4	3,5	4	1				2,3,4,5
a.	✓✓				✓					✓				✓		✓				✓
b.										✓				✓						✓✓✓
c.	✓✓													✓		✓				
d.	✓									✓										
e.					✓															✓
f.	✓✓													✓	✓	✓				
8.	3,4	5	4						5		4,5			4		4	4			5
a.	✓✓		✓						✓		✓✓			✓		✓	✓			✓
b.	✓	✓							✓		✓					✓	✓			
c.	✓	✓	✓											✓			✓			
d.											✓✓					✓	✓			
9.		3,4,5		5		2		5	4	4		5				3	3			5
a.		✓				✓		✓		✓							✓			✓
b.		✓✓✓							✓	✓		✓					✓			✓
c.		✓✓✓						✓	✓	✓						✓	✓			
d.						✓										✓	✓			✓
e.		✓		✓						✓							✓			
f.								✓	✓							✓	✓			✓
g.		✓✓										✓								
10.	4							2		5				5						
a.	✓							✓		✓										
b.	✓																			
c.								✓						✓						
d.																				
e.														✓						
f.																				
11.											4									
a.											✓									

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

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Fiscal

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**REVENUE MANAGEMENT**	1,1,3	1,1,2		1,2	1,1	1,1	3	1,1	2	1,1	1,1	1,1,5	4,5	1,1,5
a.	Revenue for continuation-level budget for 1992	✓✓✓	✓✓✓		✓✓	✓✓	✓✓	✓	✓✓	✓	✓	✓✓	✓✓	✓✓	✓✓
b.	Revenue to meet programmed expenditures for 1991	✓	✓✓		✓✓	✓✓		✓	✓		✓✓	✓	✓✓	✓✓	✓
c.	Cut in the budget	✓✓	✓✓		✓✓	✓		✓		✓	✓	✓✓	✓		✓
d.	Increase in fees/charges	✓				✓		✓					✓✓✓	✓	
e.	Increase in taxes		✓			✓	✓	✓					✓		
f.	Other					✓		✓							✓
g.	Reduction in taxes		✓✓✓												✓
2.	**EDUCATION: K-12**	1,1,4	3,4,5		1,2		2,2	2	2,2	3	3	3,5	1,2,3	2	1,2,4
a.	Improve interdistrict equity	✓	✓					✓	✓	✓			✓✓	✓	✓
b.	Other	✓✓	✓✓					✓				✓✓	✓	✓	✓
c.	Increase overall funding level	✓✓	✓				✓✓	✓	✓✓				✓		
d.	Increase state share of funding				✓✓		✓	✓			✓		✓✓✓		✓
e.	Increase local share of funding														
3.	**HEALTH CARE**	2,3,4,5	1,2,2,4			4	3	4	3,3	5	2,2	2,4	3,3,4	2,3	2,3,5
a.	Medicaid	✓✓✓	✓✓✓✓			✓		✓	✓		✓	✓	✓✓	✓✓	✓
b.	Indigent health care	✓✓	✓✓			✓		✓		✓		✓	✓	✓	
c.	Long-term care		✓✓✓			✓	✓	✓			✓	✓	✓✓		
d.	Other	✓						✓		✓	✓	✓	✓✓	✓	✓✓
e.	Mental health services	✓✓	✓					✓	✓				✓	✓	
f.	Care of AIDS patients		✓										✓		
4.	**BUDGET MANAGEMENT**	1	1,2,5		3	4		1		1	3	2	2,2	3	2,4
a.	Other	✓	✓✓✓			✓		✓			✓	✓			✓
b.	Enact spending limit		✓		✓					✓			✓✓	✓	✓
c.	Create budget stabilization fund												✓		
d.	Respond to voter-approved tax or budget limitations	✓													
5.	**EDUCATION: HIGHER EDUCATION**	2,2,5			3		3	5	5				4		3
a.	Operations	✓✓			✓		✓	✓	✓				✓		
b.	Spending oversight and accountability	✓			✓			✓	✓				✓		
c.	Capital	✓✓						✓	✓						
d.	Research incentives							✓							
e.	Other	✓											✓		
6.	**SOCIAL SERVICES**		3,4,5		5	3	4				4	5			
a.	Child care		✓✓									✓			
b.	Other					✓					✓				
c.	Implementation of Family Support Act		✓			✓	✓					✓			
d.	Child welfare		✓✓✓				✓					✓			
e.	Job training		✓			✓									
f.	Alcohol/drug abuse prevention		✓		✓										
7.	**ENVIRONMENT: FINANCE AND FUNDING**	4	3,4,5		4		4						4,5	1,4	
a.	Solid waste management: Finance mechanisms	✓	✓		✓								✓✓	✓✓	
b.	Hazardous and toxic waste cleanup	✓	✓✓										✓		
c.	Water supply systems		✓✓				✓								
d.	Waste water systems		✓											✓	
e.	Air pollution control		✓✓										✓		
f.	Other												✓		
8.	**COURTS AND CORRECTIONS**	2,5	3		4	2,2	5,5		5		4,5	4	5	5	5
a.	Alternatives to incarceration		✓		✓	✓✓	✓		✓		✓	✓	✓	✓	
b.	Operational costs	✓	✓		✓	✓✓	✓✓		✓		✓	✓	✓	✓	
c.	New prison construction	✓				✓	✓				✓	✓	✓	✓	✓
d.	Other	✓	✓								✓			✓	
9.	**STATE GOVERNMENT EMPLOYEES**	3,3			5	5,5			4			3			3,4
a.	Salaries	✓✓			✓	✓			✓			✓			✓
b.	Health care costs	✓			✓	✓						✓			
c.	Reductions in force					✓✓									
d.	Benefits for active employees				✓							✓			
e.	Pension benefits	✓✓							✓						
f.	Other											✓			✓
g.	Pension finance	✓			✓	✓			✓						
10.	**TRANSPORTATION**					3			4	4	5				
a.	Highway finance					✓			✓	✓	✓				
b.	State aid to local governments									✓	✓				
c.	Mass transit finance									✓					
d.	Diversion/dedication of user fees								✓	✓					
e.	Airport finance and user fees									✓					
f.	Other					✓									
11.	**LAW ENFORCEMENT**														
a.	Other														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue

Health Care

Since the first *State Issues* survey in 1989, uncompensated care and the medically indigent have ranked as top priorities nationally among health care issues. In addition, the companion issues of health insurance, Medicaid and medical assistance programs also rank high on legislative agendas. States are struggling to find solutions to the health care crisis. One respondent in particular summarized the daunting task legislators face in resolving the crisis: "Although the number one overall priority is to enact reform in our state's health care delivery system in total, while a plan is being developed, incremental changes will be on the table in almost all the priority policy areas listed. Prioritizing them is particularly difficult since all will be dealt with and all are so interrelated."

Health Insurance

States have created a number of plans to help small businesses provide employee health insurance. At least 28 states plan to consider such plans this year. In Arizona, small group (no more than 25 employees) policies must include obstetrical and well-child care, but are not required to provide some other currently mandated benefits. Insurers in Delaware are prohibited from using certain rating and renewal practices that limit the ability of small companies to buy employee health insurance. In Nevada, the Legislature authorized insurers to establish a health insurance plan for employers with fewer than 26 employees. A limited list of basic services is covered through low deductibles and a cap on total benefit payouts. Insurance reform for small groups is likely to be addressed in California, Kentucky, Maine, Michigan, Minnesota, New Jersey, North Carolina and Wyoming.

Providing financial incentives for employer-paid coverage will be a priority for at least half the states in session this year. A California respondent anticipates the debate of a proposal to mandate employer coverage. Michigan may consider the use of tax credits for employers providing health insurance. Insurance market reforms, including tax incentives for employers to offer health plans are likely to be considered in Missouri. New Jersey will research the use of payroll taxes, tax credits and flexible insurance coverage options to develop financial incentives for employer-paid coverage. Pending legislation in Pennsylvania provides health insurance for uninsured adults and children funded through a tax on businesses that do not provide health care coverage. Utah may introduce legislation to establish an employer "play or pay" option.

High risk pools are likely to be discussed in Alaska, and Arizona is slated to study health insurance alternatives for the uninsured, including risk pools. California may consider fiscal incentives for coverage and risk pooling. Expansion of coverage for more "working poor," including a review of funding mechanisms, will be considered in Connecticut. Kentucky is likely to debate mandatory coverage for college students and encourage "bare bones" policies for agricultural workers. Developing low-cost policies and expanding health insurance to all through the use of tax credits are likely to be considered in Michigan. Minnesota may consider a "sick tax" to cover the self-employed and insurance subsidies for the working poor.

Medically Indigent/Uncompensated Care

Access to care has been defined as "an individual's (or group's) ability to obtain medical care. Access has geographic, financial, social, ethnic and psychic components and is difficult to measure operationally." States have responded to the access issue in a variety of ways. A vote to override a gubernatorial veto of a 1991 health care access bill is likely in Minnesota. HB20, pending in Pennsylvania, would ensure access through a form of universal coverage. In Wyoming the use of insurance incentives to guarantee access is a potential issue for debate. Expanding access to care also will be considered in Utah, Iowa, Michigan, Missouri, Nebraska and Ohio.

Measures to develop funding for indigent care are likely topics for '92 agendas in at least 31 states, according to survey response, including Connecticut, Idaho, New Jersey, Pennsylvania and South Dakota. Pennsylvania plans to convene public hearings to examine uncompensated care in that state. Expansion of coverage for the medically indigent is expected in Alaska, Ohio and Vermont. Illinois, on the other hand, is likely to consider elimination of state-funded programs for the medically indigent.

Hawaii may propose a state supplement to help relieve the uncompensated care burden. All facets of this issue will probably be debated in the states, including the transfer of responsibility from state to local governments and policies for public/private participation (in California) and a private sector health care reform plan (in Iowa). One of the issues the Alaska Health Resources and Access Task Force will examine is whether universal coverage will decrease or eliminate the charity care burden.

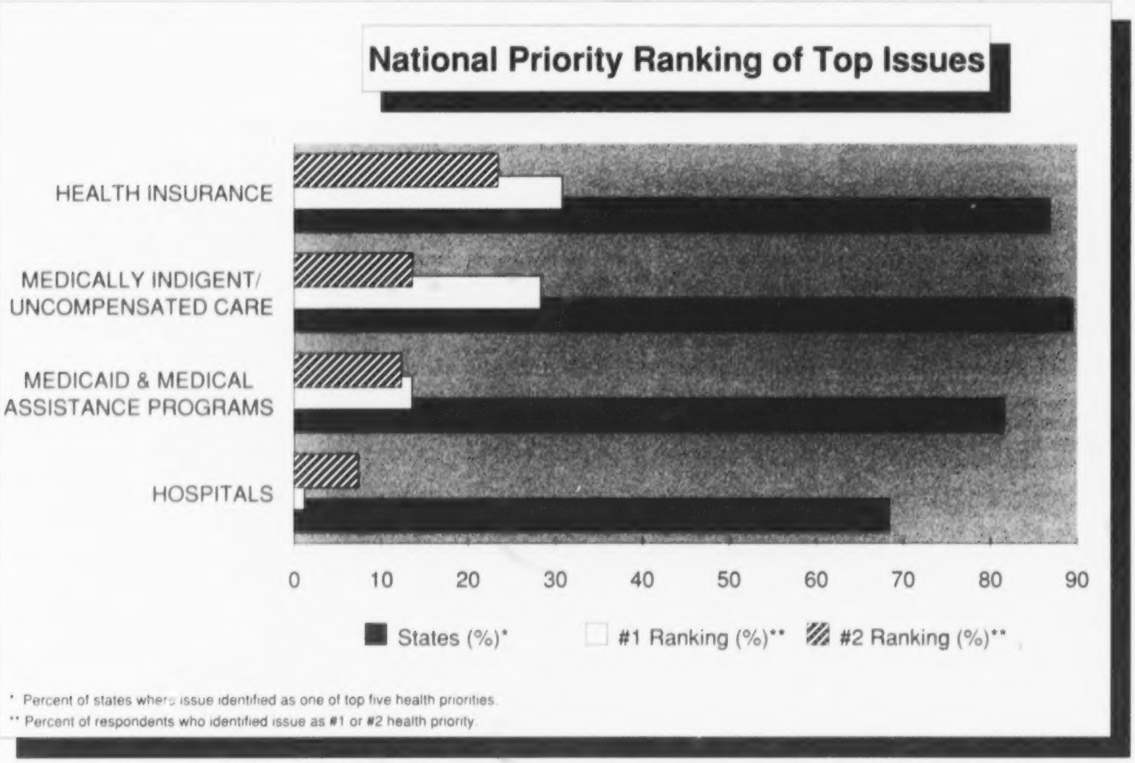
Respondents from many states identified the problem of health care delivery to the uninsured, the underinsured and the uninsurable as a priority topic for 1992 health care agendas. Arizona, Idaho, New Jersey and North Carolina will consider plans to provide care to the uninsured. The underinsured as well as the uninsured are important topics in Illinois, Pennsylvania and Missouri, as are the medically uninsurable in Arizona, Ohio, Kansas, North Carolina and South Dakota.

Medicaid and Medical Assistance Programs

The Health Care Financing Administration (HCFA) estimates that in FY 1992, states will spend $50 billion on Medicaid. Medicaid is second only to education as a state budget item, and a recent NCSL study projects Medicaid expenditures at 14 percent of state budgets. Medicaid eligibility, the transfer of Medicaid money, compliance with federal mandates, and decisions regarding Medicaid matching funds are made by state legislatures, and the majority of states this year will be considering Medicaid-related legislation. In Illinois Medicaid cuts have reduced access to care for FY92, and the governor may propose other cuts in 1992. Iowa's governor is likely to push for copayments and the elimination of optional Medicaid services as cost saving measures, including a proposal to limit Medicaid coverage to the medically needy. Reduction in state budget appropriations will force changes in the Medicaid program in Michigan. Restricting services covered by Medicaid, based on a revision of spending priorities, will be discussed in Pennsylvania.

The Idaho Legislature is expected to expand coverage but cap expenditures. The Maine Medicaid program is described as "all inclusive"; changing the program to provide core services with options as needed is likely to be considered. In Michigan the Legislature may critically appraise mandatory and optional services under Medicaid and create priorities for covered medical assistance services. In South Carolina, as the revenue shortfall continues, the state will try to maintain a level of Medicaid funding for services and benefits. Wyoming will attempt to expand Medicaid eligibility, while restricting Medicaid services and benefits.

Arizona is likely to consider making the Arizona Health Care Cost Containment System (AHCCCS) permanent. Colorado will be involved in a funding battle, re-evaluating eligibility criteria and establishing a study commission. Kentucky may consider legislation requiring copayments for non-emergency visits to save money for coverage of new eligibles. Missouri will examine a two-tiered system in which the public health departments act as "gatekeepers" in the management of Medicaid utilization. SB127, pending in Vermont, requests a waiver from the



National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five health priorities.

** Percent of respondents who identified issue as #1 or #2 health priority.

federal government to allow absorption of Medicaid into universal access/single payor system run by the state. The issues related to Medicaid in Virginia are inexorably tied to the budget process. In the last 10 years, the number of Virginians on Medicaid has grown by only 10 percent; Medicaid expenditures, however, have tripled.

Through the use of provider taxes, voluntary contributions and inter-governmental transfers, many states have attempted to increase their amount of federal matching funds; 16 states have indicated an interest in this funding mechanism for 1992 sessions. In recent months, federal regulations and congressional legislation have influenced the way states will fund Medicaid programs in 1992. Colorado will address the issues of authorizing or refining the provider tax/voluntary contribution. In Illinois there is likely to be a struggle with the federal government regarding capturing more federal money to pay for Medicaid services. A provider tax will be considered in Iowa. Kentucky hopes to continue to match federal money with provider "fees." Pennsylvania will examine financing methods to increase federal matching funds while maintaining current programs. Legislation is expected in California to increase the local/federal match and to simplify state Medicaid oversight.

Other Priority Issues

Other priority issues identified by *State Issues* survey respondents include licensing of out-of-state mail order pharmacies (New Hampshire) and providing choice of physician in cases of injuries covered by workers' compensation (South Carolina). Major reform of the health care delivery system appeared as a top priority in California, Florida, Kansas and Washington state.

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Health Care

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**HEALTH INSURANCE**	**I**	**33**	**1**	**2**	**2,2**	**1,1**		**1,4**		**1,4**	**1**		**2**	**1**
a.	Reform insurance for small groups		28	✓	✓	✓✓	✓✓		✓✓		✓✓	✓		✓	✓
b.	Financial incentives for employer-paid coverage		25	✓		✓✓	✓✓		✓		✓✓	✓			✓
c.	Other		18				✓		✓✓		✓				✓
d.	Utilization review		13			✓	✓				✓				✓
e.	Reduce mandated benefits		11			✓						✓			
f.	Expand mandated benefits		10			✓	✓					✓		✓	
2.	**MEDICALLY INDIGENT/ UNCOMPENSATED CARE**	**I**	**34**	**1,2**	**5**	**4,5**	**2,2**	**3**	**3**		**3,5**	**3**		**1**	**3,3,5**
a.	Funding mechanisms		31	✓✓		✓✓	✓✓	✓	✓		✓✓	✓		✓	✓✓✓
b.	Access to care		30	✓✓		✓✓	✓✓	✓			✓✓	✓		✓	✓✓
c.	Insurance		30	✓	✓	✓✓	✓✓	✓	✓		✓	✓		✓	✓
d.	Other		2												
3.	**MEDICAID & MEDICAL ASSISTANCE PROGRAMS**	**II**	**31**		**1**	**3**	**3**	**1**	**2**			**2**			**3,4**
a.	Restrict services/benefits under Medicaid		20					✓	✓			✓			✓✓
b.	Expand Medicaid eligibility		17			✓						✓			
c.	Provider tax/voluntary contribution		16		✓	✓		✓				✓			✓
d.	Other		10						✓						
4.	**HOSPITALS**	**III**	**26**	**5**	**4**	**4,5**	**4,4**		**3,5**		**2,3**	**4**		**3,4**	
a.	Cost control/rate setting		22	✓		✓	✓		✓✓		✓✓	✓		✓✓	
b.	Change in certificate-of-need program		18	✓	✓	✓			✓		✓✓	✓		✓	
c.	Emergency medical services (EMS)		9				✓✓		✓			✓			
d.	Other		8			✓	✓								
5.	**LONG-TERM CARE**	**III**	**24**	**5**		**3**			**4**		**2**			**1,3**	**5**
a.	Nursing homes (e.g., regulation and reimbursement)		18	✓					✓		✓				✓
b.	Funding mechanisms		16	✓		✓								✓✓	✓
c.	Community services		11						✓					✓✓	
d.	Long-term care insurance		10			✓					✓			✓✓	
e.	Other		5												✓
6.	**CHILD HEALTH**	**III**	**24**	**3,4**				**5**	**1**			**5**		**5**	**2,2,2**
a.	State-funded programs		19	✓✓				✓	✓			✓		✓	✓
b.	Expand Medicaid programs		16	✓				✓	✓					✓	✓
c.	Drug- or alcohol-addicted newborns		15	✓				✓	✓						✓✓
d.	Lead poisoning		9						✓						
e.	Other		5						✓						✓✓
7.	**RURAL HEALTH**	**IV**	**18**	**2,4**	**3**		**3**							**5**	**1**
a.	Availability of health facilities		17	✓✓	✓		✓							✓	
b.	Recruitment/retention of health care providers		14	✓✓			✓								✓
c.	Other		5												
8.	**MENTAL HEALTH**	**IV**	**20**	**3**		**1,1**		**4**	**2**					**2,4**	**1**
a.	Mental health services		16	✓		✓✓			✓					✓✓	✓
b.	Alcohol and drug abuse services		12	✓				✓	✓					✓✓	
c.	Children's mental health		9			✓✓								✓	
d.	Mental retardation/developmental disabilities services		8	✓				✓	✓						
e.	Other		3			✓			✓						
9.	**AIDS**	**IV**	**19**						**5**		**1,4**				**5**
a.	Health care workers (e.g., testing, disclosure)		18						✓		✓✓				✓
b.	HIV reporting		9								✓				
c.	Patient treatment and financing		8						✓						
d.	Confidentiality/disclosure		8												✓
e.	Education		7								✓				
f.	Testing of sex offenders/prostitutes/prisoners		7								✓				✓
g.	Other		3												
h.	Discrimination		2												
10.	**ABORTION**	**V**	**12**								**5**				**4,4**
a.	Parental consent/notification		7								✓				✓✓
b.	Other		5												✓✓
c.	Informed consent for any abortion		3								✓				
d.	Licensing of abortion clinics		3												
e.	Public funding of abortion services		1												
11.	**ETHICS**	**V**	**7**				**5**	**2**							
a.	Health care rationing		4				✓	✓							
b.	Advance medical directives (e.g., living wills, assisted suicide)		4				✓	✓							

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top health care priority.

Note: No responses were received from (or issues identified for): DC, GA, IN, MA, MS, NM, PR, and WV.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Health Care

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	2	1,2		2,3	1				1	1,2,2,3	1,1,1,2,2	2,2		4	1	1,1,4	2,3,3		1,3	1,1,2
a.				✓✓					✓	✓✓✓✓	✓✓✓✓✓	✓✓		✓	✓	✓✓	✓✓		✓✓	✓
b.	✓	✓		✓	✓					✓✓✓✓	✓✓✓✓	✓✓				✓	✓✓		✓	✓✓✓
c.	✓	✓✓		✓						✓	✓			✓	✓	✓✓			✓	✓
d.		✓		✓✓	✓					✓✓✓	✓✓				✓				✓	
e.				✓	✓				✓	✓✓✓✓	✓	✓								
f.		✓		✓	✓						✓✓									
2.	1,1	2,3,5		1,1	4	1				1,2,2,3	1,1,3	4,4		1		2,5,5	1,1		1	1,1,2,4
a.	✓✓	✓✓		✓✓	✓					✓✓	✓✓	✓		✓			✓✓		✓	✓✓✓✓
b.	✓	✓✓		✓✓	✓	✓				✓✓✓✓	✓✓✓	✓✓		✓		✓✓	✓		✓	✓✓✓✓
c.	✓	✓✓		✓✓	✓					✓✓✓	✓✓✓	✓		✓		✓✓			✓	✓✓✓
d.		✓																		
3.	3	1,1,2		5	5				1	1,5	4,4	3			4		1		2	2,4,4
a.	✓	✓✓		✓	✓				✓	✓✓		✓					✓		✓	✓
b.	✓	✓		✓	✓					✓	✓	✓			✓				✓	✓
c.		✓								✓✓	✓	✓							✓	✓✓
d.		✓✓							✓						✓					✓
4.		3,3,4			2	3			3	3,4,4,4	5,5	1		2	5		2,3,5			3,3,5
a.		✓✓			✓	✓			✓	✓✓	✓✓	✓		✓			✓✓			✓✓
b.		✓			✓				✓	✓✓✓✓	✓	✓			✓					✓✓✓
c.		✓✓			✓					✓✓✓	✓									
d.										✓✓✓				✓			✓			
5.	4,4			2,5						5	3,3,5	1		3,5		4			4	3,5,5
a.	✓			✓✓						✓	✓✓	✓		✓✓					✓	✓
b.	✓			✓✓							✓✓✓			✓					✓	✓✓
c.				✓															✓	✓
d.	✓✓										✓✓			✓						✓✓
e.																				
6.	5,5	4,5		1,3,4	3	5				1,4,5		5		3,4	2	2,3,5	5		5	3,5
a.	✓	✓		✓✓✓	✓	✓				✓✓		✓		✓	✓	✓				✓
b.	✓✓	✓		✓✓	✓					✓		✓			✓	✓✓			✓	✓
c.		✓✓		✓						✓✓✓				✓	✓	✓			✓	✓
d.		✓✓								✓✓✓						✓	✓		✓	
e.										✓✓				✓						✓
7.	2	2,4		3,4		4					2,2,3			5		3				
a.	✓	✓✓		✓✓		✓					✓✓			✓		✓				
b.	✓	✓✓		✓✓		✓					✓✓✓			✓						
c.		✓✓		✓																
8.	3	4		2					2		2,4	3		1,2					5	
a.	✓			✓					✓		✓	✓		✓✓					✓	
b.		✓									✓	✓		✓					✓	
c.				✓					✓		✓			✓						
d.				✓																
e.																				
9.		3,5,5		5		2		1	4	5	3,4,5,5	5				2,3	4,4		2,3	4
a.		✓				✓		✓	✓	✓	✓✓✓	✓				✓✓	✓		✓✓	✓
b.		✓✓				✓				✓	✓						✓		✓	✓
c.		✓							✓		✓✓	✓					✓✓		✓✓	
d.		✓✓				✓					✓✓					✓	✓		✓	
e.				✓					✓		✓					✓	✓		✓	
f.		✓✓						✓			✓								✓	
g.		✓															✓			
h.		✓																	✓	
10.		1		4				2								4	2,5		4	
a.				✓												✓	✓		✓	
b.																✓	✓			
c.																✓			✓	
d.								✓												
e.																				
11.										3					3		4			2
a.																	✓			✓
b.															✓		✓			

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

Health Care

MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1. **HEALTH INSURANCE**	1,2	2,3		1	2,4	3		3,3	3		1	1		1,2
a. Reform insurance for small groups		✓		✓	✓			✓✓	✓		✓	✓		✓✓
b. Financial incentives for employer-paid coverage	✓	✓✓			✓✓	✓		✓✓				✓		✓
c. Other		✓							✓		✓			✓
d. Utilization review		✓		✓										
e. Reduce mandated benefits		✓		✓	✓✓									
f. Expand mandated benefits					✓									✓
2. **MEDICALLY INDIGENT/ UNCOMPENSATED CARE**	1,4	1,1,4		5,5	3	1,4	2	1,1		1	3	2		2,4
a. Funding mechanisms	✓	✓✓✓		✓✓	✓	✓✓	✓	✓✓		✓	✓	✓		✓
b. Access to care	✓	✓✓✓		✓✓	✓	✓✓		✓✓		✓		✓		✓✓
c. Insurance	✓	✓✓		✓	✓	✓		✓✓			✓	✓		✓✓
d. Other										✓				
3. **MEDICAID & MEDICAL ASSISTANCE PROGRAMS**	5	2,4,5		4,4	1,1,1	5	1	2,2	2	4	5	4		2,3,5
a. Restrict services/benefits under Medicaid		✓✓		✓	✓✓✓		✓	✓✓						✓
b. Expand Medicaid eligibility				✓				✓✓	✓		✓			✓
c. Provider tax/voluntary contribution		✓			✓✓✓		✓	✓✓				✓		
d. Other						✓			✓	✓		✓		✓
4. **HOSPITALS**				2	3,3		4	5,5		2	5			4
a. Cost control/rate setting					✓		✓	✓✓		✓				✓
b. Change in certificate-of-need program					✓✓		✓							✓
c. Emergency medical services (EMS)				✓			✓							
d. Other					✓					✓	✓			
5. **LONG-TERM CARE**		2		1,3	2	2	3	4,4		3	2,2,4			4,5
a. Nursing homes (e.g., regulation and reimbursement)		✓			✓		✓	✓✓		✓				✓
b. Funding mechanisms		✓		✓✓			✓			✓	✓✓			✓
c. Community services		✓		✓✓		✓		✓✓		✓	✓✓			
d. Long-term care insurance		✓		✓							✓✓✓			
e. Other					✓	✓				✓	✓			
6. **CHILD HEALTH**	2	3,3		2	4,5							3		
a. State-funded programs		✓✓		✓										
b. Expand Medicaid programs		✓												
c. Drug- or alcohol-addicted newborns		✓✓			✓✓							✓		
d. Lead poisoning		✓✓		✓								✓		
e. Other														
7. **RURAL HEALTH**	3,5	1				1,4			1	5				1,1,3
a. Availability of health facilities	✓	✓				✓✓			✓	✓				✓✓
b. Recruitment/retention of health care providers		✓				✓✓			✓	✓				✓✓✓
c. Other						✓			✓	✓				
8. **MENTAL HEALTH**	4	4		3		5	5				3,3,4			
a. Mental health services				✓		✓	✓				✓			
b. Alcohol and drug abuse services		✓				✓	✓							
c. Children's mental health				✓			✓				✓✓✓			
d. Mental retardation/developmental disabilities services	✓	✓					✓				✓			
e. Other						✓								
9. **AIDS**		5,5			2				4		4,5			
a. Health care workers (e.g., testing, disclosure)		✓✓			✓				✓		✓✓			
b. HIV reporting					✓									
c. Patient treatment and financing		✓✓												
d. Confidentiality/disclosure					✓									
e. Education														
f. Testing of sex offenders/prostitutes/prisoners		✓												
g. Other									✓					
h. Discrimination														
10. **ABORTION**	3				4,5	2,3						5		
a. Parental consent/notification												✓		
b. Other					✓	✓✓								
c. Informed consent for any abortion														
d. Licensing of abortion clinics	✓				✓									
e. Public funding of abortion services					✓									
11. **ETHICS**									5					
a. Health care rationing														
b. Advance medical directives (e.g., living wills, assisted suicide)														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)
✓ = Respondent from that state who selected the subissue.

Labor

The heightened interest in labor issues at both the state and federal levels reflects the economic recession and increasing pressure on U.S. business and labor to respond to the competitive challenge of a global economy. Virtually every aspect of workers' compensation will be scrutinized by state lawmakers this year, although benefits and program administration in particular will be high priorities. Unemployment insurance will be a key labor issue this year and a major topic of debate in at least half the states in session in 1992. Legislative interest in human resource development (especially vocational-technical education) is likely to continue this year.

Workers' Compensation

Workers' compensation remains one of the most contentious and troublesome issues for state lawmakers. As it was last year, this is the predominant employment issue facing state legislatures.

Much of the debate in 1991 focused on skyrocketing costs and legislative proposals designed to address them. Medical cost containment, excessive litigation, administrative reform, permanent partial disability, vocational rehabilitation and the development of an integrated managed care system were hotly debated. In California and Maine, workers' compensation reforms were so controversial that they became pawns in fiercely fought state budget battles.

Over half the states revised their workers' compensation laws in 1991. Massive reform occurred in many. The *State Issues* survey results reveal that at least 33 states plan to make workers' compensation issues a top priority in their 1992 sessions. A dozen of those states, including Alaska, Colorado, Iowa, Louisiana, Maine, Michigan, Ohio, Tennessee and Wyoming, indicated coverage and benefits are their most important labor issues this year.

Unemployment Insurance

Both state and federal governments have responsibilities for unemployment insurance. Each state, the District of Columbia, Puerto Rico and the Virgin Islands administer a complete, self-contained unemployment insurance program. State laws govern the tax structure, qualifying requirements, benefit levels and disqualification provisions. Federal law provides for a payroll tax but allows employers an offset against the federal tax if they are paying taxes under approved state laws.

The state monies collected are pooled in the Unemployment Trust Fund administered by the U.S. Treasury. As the recession has dragged on, general concern about the adequacy of state trust fund reserves has grown. A number of states that have been hardest hit by the recession have drained existing reserves.

During the last year, at least 21 states debated maximum and minimum weekly benefit amounts. Several amended laws to require that benefits not be paid on the basis of services performed by an alien unless the individual was lawfully present in the United States both at the time the services on which benefits are based were performed and at the time the claim was filed.

Due to long-term unemployment, a number of states are experimenting with programs to provide enhanced assistance and training to unemployed claimants. Alaska is concluding a two-year pilot project that provides grants for employment assistance and finances training entities to help prevent future unemployment claims, foster new jobs and increase training activities for workers severely affected by fluctuations in the state economy or by technological change in the workplace. The project is financed through a portion of employee taxes at the rate of .01 percent.

Congress enacted legislation late in 1991 to provide additional weeks of unemployment benefits for those who have exhausted their 26 weeks of regular benefits. Unemployed workers could receive an additional 13 or 20 weeks of benefits, depending on the level of unemployment in their state.

Human Resource Development

Discussion in the states and at the national level increasingly stresses the arguable need to better prepare the American workforce to meet global competition. Indeed, at the heart of the drive to achieve national education goals by the year 2000 are state and national economic interests that emphasize the need for more literate skilled workers to ensure future competitiveness. This concern has touched all levels of education and training. As a result, states and the federal government are displaying a willingness to try new methods of reforming education and training, and to redirect resources to better achieve success with these efforts.

As things stand, the United States does a good job of preparing students who go to and finish college; after all, we are considered to have the best higher education system in the world. The problem arises with the realization that only about 25 percent of all students who complete high school ever start and/or finish a college baccalaureate program. It is with the other 75 percent that we have fallen behind other countries in the preparation of a well-educated, well-prepared skilled workforce that is so necessary to compete in the world marketplace today. Half the states in session this year are likely to propose legislation to address human resource development issues. Most of those states will look in particular at vocational-technical education reform.

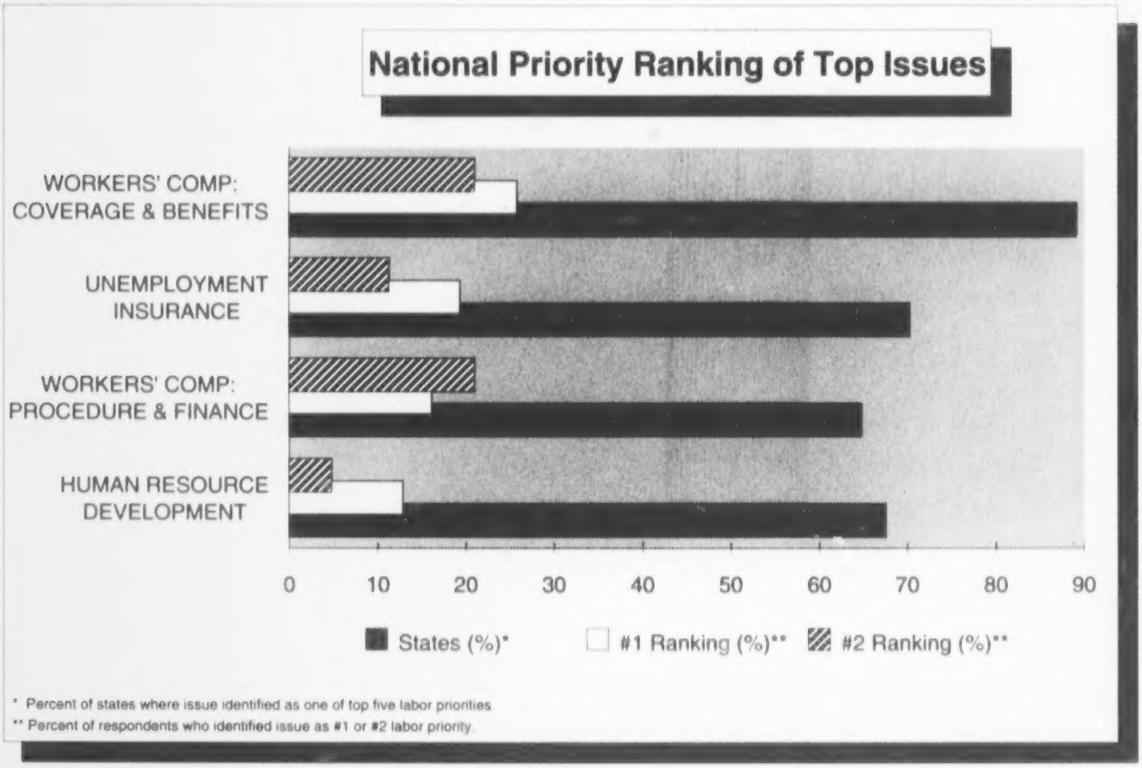
New and reformed ideas are found in several federal programs, including the Carl Perkins Vocational and Applied Technology Education Act amendments passed by Congress in 1990. They focus increased attention on dropouts and at-risk populations, basic academic skills, integration of academic and vocational educational programs, school completion and employment readiness. These are very similar to the discussions going on concerning the youth training provisions in amendments now being proposed for the Job Training Partnership Act (JTPA). Similar provisions in the JOBS program of the Family Support Act require that children in welfare families must remain in or return to school or an alternative educational program.

In addition to basic and vocational skills, federal and some state vocational programs more recently call for the development of Tech-Prep, or "2 + 2," programs that link high school and college technical education programs. This approach to encouraging more postsecondary education also is intended to produce more highly qualified technical personnel to meet the concerns of the nation's business community. As has been the case in JTPA, the concept of performance standards has recently been introduced to vocational education. In addition to the federal law, over 22 states are actively developing performance standards for their vocational education programs; a few already have them in place.

The newer approach to improving education and training for all students is that being proposed by the Commission on the Skills of the American Workforce and recently passed into law by the Oregon legislature. This program, which affects the entire educational structure, borrows some European concepts of assessment and placement in high school, adds a certification of mastery feature, and provides alternative programs for students needing special help.

In addition to addressing the needs of those about to enter the workforce, states are looking at parallel programs to meet the needs of those currently in the workforce or displaced from it. More than three-quarters of the states have programs for skill retraining or skill upgrading, and 17 states plan to consider such programs in 1992. Exhibiting a variety of funding sources and targeted populations, these programs operate to supplement federal efforts which, at current funding levels, serve less than 10 percent of eligible people.

States are also providing businesses with a framework for involvement. The New York School and Business Alliance encourages the development of local partnerships between education and business. Mississippi has amended the state tax code to allow for a tax credit for employers who provide literacy training for employees.



* Percent of states where issue identified as one of top five labor priorities
** Percent of respondents who identified issue as #1 or #2 labor priority

Employment Standards

Parental and family leave issues will continue to receive considerable attention in 1992, with at least 21 states slated to address concerns about the growing numbers of families in which both parents work, or the head of the household is a single parent. The increasing dilemma of caring for sick or elderly family members has expanded the issue from simple parental or maternal leave to one of family leave. Without question, issues related to sexual harassment in the workplace have jumped to the forefront of employment standards, and legislatures will see proposals in 1992, perhaps similar to Maine's 1991 law providing for worker education about sexual harassment policies in the workplace.

Other Priority Issues

Other priority issues identified by *State Issues* survey respondents include health benefits in Missouri and worker protection (plant closing notification, mass layoff retraining and protection against unjust firing) in Virginia.

NCSL Staff Contacts: Brenda Trolin, Labor (Denver Office) and Ron Field, Human Resource Development (D.C. Office)

Labor

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**WORKERS' COMP: COVERAGE AND BENEFITS**	**I**	**33**	**1**	**2,2**		**3**	**1**		**2**	**3**	**2,2**			**1**
a.	Benefits		25	✓	✓✓		✓	✓		✓	✓	✓✓			✓
b.	Coordination with other programs		17	✓	✓		✓					✓			✓
c.	Coverage		17	✓	✓✓		✓	✓				✓✓			✓
d.	Occupational diseases		13	✓	✓		✓								
e.	Vocational rehabilitation		12	✓	✓		✓				✓				
f.	Exclusiveness of remedy		10	✓	✓			✓							
g.	Other		7												
2.	**UNEMPLOYMENT INSURANCE**	**II**	**26**		**3,3**		**2**	**5**	**1**	**4**	**5**	**3,3**		**1,4**	**2**
a.	Benefits		18		✓✓		✓				✓	✓			✓
b.	Coverage/disqualifications		18		✓✓		✓	✓			✓	✓✓			✓
c.	Financing		11		✓				✓	✓				✓	
d.	Assistance and training for claimants		10		✓							✓		✓✓	
e.	Reductions in service to claimants		7		✓						✓				
f.	Other		3												
3.	**WORKERS' COMP: PROCEDURES & FINANCING**	**II**	**24**	**1**	**1,1**			**2**			**2**				**3**
a.	Administration		20	✓	✓✓			✓			✓				
b.	Arbitration		10	✓	✓✓						✓				
c.	Special funds		9	✓	✓										
d.	Claimant protection (e.g., retaliatory firing)		8	✓	✓										
e.	Other		6												
4.	**HUMAN RESOURCE DEVELOPMENT**	**III**	**25**		**4**			**4**	**4**		**1,4**	**4,4**		**1,1,5**	
a.	Vocational - technical education/occupational training		18						✓		✓	✓✓		✓✓	
b.	Workforce development partnerships (business/labor/schools)		14								✓			✓✓	
c.	Job retraining/skills upgrade programs		14		✓			✓			✓	✓			
d.	Adult/workplace literacy programs		11		✓			✓						✓	
e.	Interagency coordination of Family Support Act JOBS program		7		✓									✓✓	
f.	Specialized job training programs for employers		7								✓			✓	
g.	Career guidance/counseling		5		✓									✓	
h.	Other		3												
5.	**PUBLIC EMPLOYEES**	**III**	**23**	**3**	**4,5**			**3**		**1**	**3,4,4**	**1,1**		**2,3**	
a.	Collective bargaining		13	✓	✓						✓✓✓	✓			
b.	Retirement benefits		12		✓					✓	✓	✓		✓	
c.	Other		11					✓		✓		✓✓		✓	
d.	Merit raises		6		✓✓			✓							
e.	Wage and hour protection		5		✓			✓						✓	
6.	**EMPLOYMENT STANDARDS**	**III**	**28**		**5**		**4**		**5**	**5**	**1,3,5**	**5**		**2**	
a.	Parental and family leave		21		✓		✓			✓	✓✓	✓		✓	
b.	Bans on employment discrimination		11		✓		✓				✓			✓	
c.	Union membership/right-to-work laws		10		✓					✓					
d.	Child labor		8						✓						
e.	"Employment-at-will" doctrine		6							✓	✓				
f.	Regulation of private employment agencies		5		✓						✓				
g.	Other		3												
7.	**OCCUPATIONAL HEALTH & SAFETY STANDARDS**	**IV**	**14**				**1**		**3**		**5**	**5**		**2**	
a.	Strengthening of standards		9				✓		✓					–	
b.	Other		6				✓							✓	
c.	Worker right to know		4												
d.	Restrictions on smoking in the workplace		4								✓	✓			
8.	**WAGE AND HOUR PROTECTION**	**IV**	**14**				**5**		**2**	**3**	**1,2,2**			**4**	
a.	Minimum wage protection		11				✓			✓				✓	
b.	Prevailing wage		8				✓		✓		✓✓				
c.	Mandatory overtime		6				✓								
d.	Overtime		5				✓								
e.	Meal periods		2								✓				
f.	Other		1												
9.	**WORKER PRIVACY**	**IV**	**12**											**3**	
a.	Drug testing		10											✓	
b.	Use of polygraphs		5												
c.	Telephone call monitoring		5												
d.	Genetic screening		4												
e.	Background clearance		3											✓	
f.	Computerized work monitoring		2												
g.	Other		1												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top labor priority.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Note: No responses were received from (or issues identified for): AZ, GA, ID, KS, MA, MS, NM, PR, and SC.

Labor

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.		2,2,2	1,4		2	1		2	1	1	1,1,4			4,4	1		3		2	1,1
a.		✓✓✓	✓		✓					✓	✓✓			✓✓	✓		✓		✓	✓✓
b.		✓	✓							✓	✓✓						✓		✓	✓
c.		✓✓✓	✓✓		✓						✓✓✓			✓			✓			✓
d.		✓			✓					✓	✓						✓		✓	✓
e.		✓			✓						✓✓				✓		✓			
f.		✓✓	✓					✓			✓✓				✓		✓		✓	
g.					✓			✓			✓									
2.		1,1,1,1	3		4,5			1		1,1,1,2	2,3,3	3		3,5	3					2
a.		✓✓✓	✓		✓					✓✓	✓✓✓			✓	✓					✓
b.		✓✓	✓		✓✓					✓✓	✓✓			✓✓						
c.		✓✓			✓			✓		✓✓✓✓	✓✓	✓								
d.		✓			✓						✓✓	✓			✓					
e.			✓		✓✓					✓	✓									
f.					✓			✓			✓✓									
3.		3,5	2,5		1,3	1			2	2,3,3	2,3	2			2				1	3
a.		✓✓	✓		✓					✓	✓✓	✓			✓				✓	✓
b.		✓			✓					✓	✓✓	✓			✓					✓
c.					✓✓					✓	✓	✓								
d.			✓✓		✓					✓		✓								
e.			✓		✓					✓		✓								
4.		3,3,5			1,4	4				2,3	4	1		2	5	4	1,3			
a.		✓			✓✓					✓✓	✓	✓		✓	✓		✓			
b.		✓			✓✓					✓✓	✓	✓			✓	✓	✓			
c.		✓✓✓			✓✓					✓	✓	✓			✓		✓✓			
d.		✓✓								✓				✓			✓			
e.		✓			✓							✓					✓			
f.		✓			✓							✓					✓			
g.		✓✓										✓								
h.											✓									
5.			1,4		2	3						4		2		1	5		5	
a.			✓✓		✓												✓		✓	
b.			✓		✓							✓				✓	✓		✓	
c.					✓							✓		✓		✓				
d.			✓		✓												✓			
e.			✓														✓			
6.		2,3,4,4	3		3,5	2		3		5,5	5				4	3	2		4	5,5
a.		✓✓✓✓	✓		✓			✓		✓					✓	✓	✓		✓	✓✓
b.		✓✓✓			✓												✓			✓
c.			✓		✓✓					✓	✓						✓			
d.		✓			✓										✓		✓			
e.																	✓			
f.										✓										✓
g.					✓															
7.										2,4,5	1,4			1,1			2			2,4
a.										✓	✓✓			✓✓			✓			✓✓
b.										✓✓	✓			✓						
c.										✓							✓			
d.																				
8.			5							4,4	5									3,4
a.			✓							✓✓	✓									
b.			✓							✓✓										✓✓
c.			✓																	
d.																				
e.																				
f.																				
9.		4,4,5,5	2								2,5			3,5		2	1,4		3	
a.		✓✓✓	✓											✓✓		✓	✓✓		✓	
b.											✓			✓			✓			
c.											✓						✓✓		✓	
d.											✓						✓			
e.		✓✓✓															✓			
f.											✓✓						✓✓			
g.																				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

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Labor

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**WORKERS' COMP: COVERAGE AND BENEFITS**	1	1		2,5		2	1	4	4	3	3	5,5	3	1
a.	Benefits	✓			✓		✓	✓			✓	✓	✓✓		
b.	Coordination with other programs		✓		✓			✓	✓		✓				
c.	Coverage							✓		✓		✓	✓✓		
d.	Occupational diseases				✓				✓	✓					
e.	Vocational rehabilitation	✓						✓							✓
f.	Exclusiveness of remedy														
g.	Other		✓		✓								✓	✓	
2.	**UNEMPLOYMENT INSURANCE**						3		2	5	1,5	1,2	3		
a.	Benefits						✓		✓		✓	✓	✓		
b.	Coverage/disqualifications						✓		✓		✓✓	✓✓	✓		
c.	Financing									✓					
d.	Assistance and training for claimants									✓		✓			
e.	Reductions in service to claimants											✓			
f.	Other														
3.	**WORKERS' COMP: PROCEDURES & FINANCING**	2	2		1,1		1	2	1		2				2
a.	Administration		✓		✓✓		✓	✓	✓		✓				✓
b.	Arbitration														
c.	Special funds	✓			✓			✓							
d.	Claimant protection (e.g., retaliatory firing)	✓			✓										
e.	Other		✓		✓										
4.	**HUMAN RESOURCE DEVELOPMENT**		3		3			5	3	1		5	1,3	2	5
a.	Vocational - technical education/occupational training							✓	✓	✓		✓	✓✓		✓
b.	Workforce development partnerships (business/labor/schools)		✓							✓		✓	✓		
c.	Job retraining/skills upgrade programs							✓		✓			✓✓		
d.	Adult/workplace literacy programs							✓		✓			✓✓	✓	
e.	Interagency coordination of Family Support Act JOBS program							✓							
f.	Specialized job training programs for employers								✓						
g.	Career guidance/counseling									✓					
h.	Other				✓								✓		
5.	**PUBLIC EMPLOYEES**		5				3				3,4	2,5	1	1	3
a.	Collective bargaining						✓				✓✓	✓	✓	✓	
b.	Retirement benefits											✓			
c.	Other		✓										✓		✓
d.	Merit raises											✓			
e.	Wage and hour protection														
6.	**EMPLOYMENT STANDARDS**		4		5		2	4	5	3	2	4	1,2,3		
a.	Parental and family leave						✓			✓	✓	✓	✓✓		
b.	Bans on employment discrimination				✓					✓			✓✓		
c.	Union membership/right-to-work laws		✓							✓			✓		
d.	Child labor				✓			✓					✓✓		
e.	"Employment-at-will" doctrine				✓		✓			✓					
f.	Regulation of private employment agencies								✓						
g.	Other											✓	✓		
7.	**OCCUPATIONAL HEALTH & SAFETY STANDARDS**				4			3				1			4
a.	Strengthening of standards				✓							✓			
b.	Other				✓										
c.	Worker right to know				✓			✓							
d.	Restrictions on smoking in the workplace							✓							✓
8.	**WAGE AND HOUR PROTECTION**				2,4		1					3,4	2,4,5		
a.	Minimum wage protection				✓		✓					✓✓	✓✓		
b.	Prevailing wage				✓							✓			
c.	Mandatory overtime				✓							✓✓	✓✓✓		
d.	Overtime				✓✓		✓					✓	✓		
e.	Meal periods												✓		
f.	Other												✓		
9.	**WORKER PRIVACY**	3			3					2			2,4,4		
a.	Drug testing				✓					✓			✓✓✓		
b.	Use of polygraphs				✓								✓✓		
c.	Telephone call monitoring	✓			✓										
d.	Genetic screening				✓								✓✓		
e.	Background clearance														
f.	Computerized work monitoring														
g.	Other												✓✓		

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue

Law Enforcement and Criminal Justice

Few criminal justice issues evoke the controversy and contemplation that sentencing does. As many as 31 states expect to address this difficult topic, making it the leading criminal justice issue in 1992.

To the public, criminal sentences represent the state's effectiveness in dealing with lawbreakers. At the same time, sentencing laws reverberate throughout the criminal justice system, strongly affecting the courts which prescribe sentences and the corrections agencies charged with incarcerating offenders or supervising them in the community. Perhaps most critical for state policymakers is the powerful impact that sentencing laws have on state budgets. Corrections expenditures have grown from 1 percent to nearly 5 percent of state general funds in the past decade. Criminal justice researchers attribute a corresponding growth in offender populations to more and longer criminal sentences rather than to increased incidence of crime in our communities.

Sentencing and Sentencing Options

Recent state legislative action on sentencing has taken the form of broad restructuring and policies that call for increased development as well as use of intermediate sanctions or alternatives to incarceration.

State sentencing commissions or similar bodies assembled to plan and develop policy for fundamental change to sentencing structures have completed work in three states and are at work or starting up in at least eight other states. NCSL's 1991 *Selected State Enactments* survey shows 11 states took action on sentencing restructuring last year. Following the lead of the pioneering states of Minnesota, Washington and Oregon, sentencing commissions have recommended statutory guidelines on appropriate sentences and sentence length, often using a grid or matrix to weigh quantitatively the seriousness of the offense and the characteristics of the offender.

The North Carolina Sentencing and Policy Advisory Commission, which began work in 1990 and issued its first report in 1991, has articulated sentencing policy objectives which echo those of other states: To promote what often has been called "truth in sentencing" by creating a closer and more consistent relationship between the sentence imposed and the time actually served in prison; and to increase what has been termed "certainty in sentencing" by prescribing that offenders convicted of similar crimes receive markedly similar sentences. Sentencing guidelines in North Carolina and elsewhere also potentially can provide for certainty in prescribing alternatives to incarceration for certain classes of offenders.

NCSL analysis of state sentencing commissions has found that successful commissions have had broad-based state government involvement in the sentencing restructuring process and have a mechanism for implementing and enforcing the sentencing policy. Sentencing guidelines have not, however, always had the hoped-for outcome of reducing prison overcrowding. Mostly this is because the guidelines structure prison terms but do not incorporate the full range of non-prison sentences available. The federal experience with sentencing guidelines is one example. A recent analysis of U.S. Sentencing Commission guidelines now being used by the federal judiciary disclosed that criminal sentences are twice as long as they were before the new rules went into effect. Clearly, blueprints exist for states interested in setting up structured sentencing as part of their sentencing reform. But those blueprints have not yet fully coordinated correctional resources with policy.

In this time of spiraling corrections spending and strapped state budgets, policymakers show unprecedented interest in how to make safe use of alternatives to incarceration. Ten states reported enactments in 1991 on intermediate sanctions or alternatives, and

23 states report that alternative sentencing will receive legislative attention in 1992.

The most recent and highly publicized state innovation in intermediate sanctions is "boot camp" prisons. Boot camps--or "shock incarceration"--provide a shorter, regimented disciplinary experience for young offenders in a facility matching its name. In 1991, according to NCSL research, 23 states had boot camp prisons. While the rehabilitative effect and cost savings are still uncertain, states have embraced the boot camp concept as appropriately tough on criminals while providing an alternative to traditional prison.

Community alternatives such as in-home electronic monitoring of offenders, intensive supervised probation, community service sentences, as well as newer options like day reporting centers, continue to be developed and implemented at both the state and local levels.

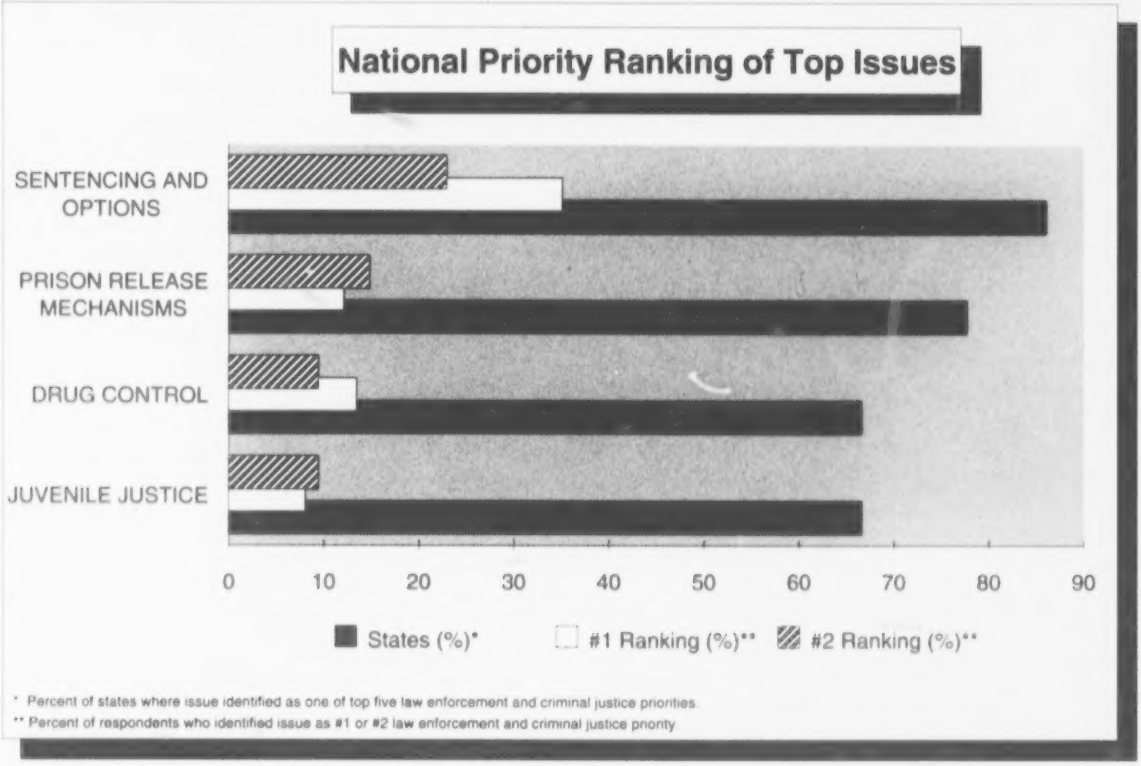
In 1991, a Wisconsin budget bill (increasingly the context in which decisions on corrections policy are being made in the states) called for an intensive sanctions program to provide "punishment that is less costly than ordinary imprisonment and more restrictive than ordinary probation or parole." Sanctions will include community-based residential facilities, intensive field supervision, electronic monitoring, community service and restitution, and alcohol, drug and mental health treatment.

Prison Release Mechanisms

The Wisconsin legislation also allows for early parole for some offenders who participate in a post-release intensive sanctions program. This action is illustrative of states' expressed intention to focus attention in 1992 on parole and discretionary release policies. Federal court orders to reduce crowding in state prison systems have resulted in policies for "sentence rollbacks" and "emergency release" of offenders in some states. Sentencing guidelines attempt to reduce this sort of ad hoc release of prisoners. Policymakers' concern about releasing offenders unsupervised into the community also has resulted in measures such as the Wisconsin law and Oklahoma's "pre-parole" program. In Oklahoma, pre-parole has helped the state deal with prison overcrowding by providing supervised release for eligible offenders within one year of their scheduled parole consideration date. We may see more of these types of programs in the states that intend to address prison release mechanisms in their 1992 legislative sessions. Policymakers struggle to find a constituency for discretionary parole release in an age when the public's fear of crime is very much embodied in the image of large numbers of released offenders roaming the community.

Drug Control Strategies

The policy mood created two years ago when the White House declared a national "war on drugs" will continue to have an impact on state policymaking in 1992, with as many as 19 states expecting to work on a statewide drug strategy and 16 expressing interest in enhanced penalties for drug crimes. Mandatory minimum sentences for drug crime have, however, come under fire during the past year. New York, for example, is considering a proposal to repeal a law requiring a mandatory prison term for second-time felony offenders. Critics say the law does little to diminish drug trade and instead fills prisons with small-time drug deliverers who almost always are themselves addicts. Those offenders caught in this net may in fact be the same hard core, inner city users who, according to recent studies, have been unaffected by the drug war and whose large numbers have spawned creation of special jurisdiction "drug courts" in Chicago, Milwaukee, Miami and New York. The proliferation of drug use among America's underclass coupled with significant public concern over the health costs and human tragedies resulting from drug addiction also has policymakers interested in what treatment options are available for addressing drug crime. Similarly, state legislatures have reported



National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five law enforcement and criminal justice priorities.

** Percent of respondents who identified issue as #1 or #2 law enforcement and criminal justice priority

that treatment programs and services to address juvenile crime will be on the agendas of at least 16 states in 1992.

Other Priority Issues

Other top priority issues identified by survey respondents include an examination of the "psychopathic personality" commitment statute in Minnesota, automobile insurance rates in Indiana, drunk driving in Ohio, and stricter sentencing for violence against women and children in Minnesota. (Motor vehicle insurance is covered in more detail in the Liability and Insurance section of this report, and drunk driving is discussed in the Transportation section.)

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(Denver Office)

Law Enforcement and Criminal Justice

	MAJOR ISSUE AREAS **Subissues**	**NAT'L RANK**	**STATE TOTAL**	**AK**	**AL**	**AZ**	**CA**	**CO**	**CT**	**DC**	**DE**	**FL**	**GA**	**HI**	**IA**
1.	**SENTENCING AND SENTENCING OPTIONS**	I	**31**	**1,2**	**1**	**1**		**1**			**2,2**	**1,3**	**5**	**2**	**2**
a.	Sentencing restructuring		23	✓✓		✓		✓				✓			✓
b.	Intermediate sanctions or alternatives		23	✓✓	✓						✓	✓✓			✓
c.	Community corrections state/local partnerships		17	✓✓	✓							✓✓			
d.	Capital punishment		12					✓			✓			✓	✓
e.	Other		8								✓				
2.	**PRISON RELEASE MECHANISMS**	II	**28**	**3**	**3**	**4**					**2,5**	**3**	**2,4**	**3**	**4**
a.	Parole/discretionary release		20	✓	✓								✓		✓
b.	Emergency (overcrowding-induced) release		15	✓	✓						✓	✓			✓
c.	Furloughs, work release, pre-parole		15								✓			✓	✓
d.	Good time/earned time revisions		14			✓						✓			✓
e.	Other		4												
f.	Bail reform		3												
3.	**DRUG CONTROL STRATEGIES**	II	**24**	**1**							**1,3,4**		**3,3**	**3,4**	
a.	Statewide drug strategy		19	✓							✓		✓	✓	
b.	Enhanced penalties for drug crimes		16								✓			✓	
c.	Local coordination, funding		13	✓							✓				
d.	Treatment sanctions		13								✓✓				
e.	Drug testing		12	✓							✓				
f.	Expansion of forfeiture provisions		10								✓		✓	✓	
g.	Other		5	✓										✓	
4.	**JUVENILE JUSTICE**	II	**24**					**4**			**3,3,4**	**2,2**	**4**	**1,4**	**3**
a.	Treatment programs and services		16								✓✓✓	✓✓		✓✓	✓
b.	Alternatives to incarceration (e.g., deinstitutionalization)		13								✓	✓✓	✓		✓
c.	Status offenders		10					✓				✓	✓	✓	
d.	Parental responsibility/liability		8					✓							
e.	Other		8					✓							
f.	Removal from adult jails		7					✓							✓
5.	**PRISON CONSTRUCTION**	III	**18**			**3**							**1,2**	**2,2**	
a.	Construction of adult facilities		17			✓							✓	✓	
b.	Construction of juvenile facilities		11			✓							✓	✓✓	
c.	Other		3												
6.	**COURTS AND CRIMINAL PROCEDURE**	III	**23**	**3**	**4**	**2**		**5**				**4**		**5**	
a.	Court management issues		13	✓				✓							
b.	Judicial selection, compensation and retention		12		✓	✓						✓			
c.	Public defender systems		6			✓									
d.	Other		6			✓									
e.	Forensic technology (DNA, etc.)		5	✓				✓						✓	
7.	**VICTIM ASSISTANCE**	III	**20**	**2,4**				**2**						**3**	**5**
a.	Victim compensation/notification		17	✓				✓						✓	✓
b.	Restitution enforcement		12	✓				✓							✓
c.	Privacy protection		7	✓											✓
d.	Special populations (e.g., elderly, children)		5											✓	
e.	Other		3	✓											
8.	**PRISON OPERATION**	III	**19**	**4**	**2**						**1,4,5**	**5**	**1**	**1**	
a.	Court order/consent decree compliance		10	✓	✓						✓			✓	
b.	Other		8								✓	✓			
c.	Prison education		7								✓✓	✓			
d.	Prison-based drug treatment		6								✓✓✓				
e.	AIDS in prison		3								✓				
9.	**PRIVATIZATION OF CORRECTIONS**	III	**15**	**5**	**5**							**5**		**4**	
a.	Private facility management		11	✓								✓			
b.	Private-sector prison industry		9	✓											
c.	Community-based or juvenile facility contracts		8		✓							✓		✓	
d.	Contracting for services (e.g., medical, food)		5	✓											
e.	Private financing/lease-purchase arrangements		5												
f.	Other		1												
10.	**GUN CONTROL**	IV	**12**								**1,5**			**5**	**1**
a.	Gun crime penalties		7												✓
b.	Background/I.D. check on gun purchasers		6												✓
c.	Assault/semi-automatic weapons		6								✓✓				✓
d.	Parental liability		5											✓	
e.	Concealed weapon/permit to carry		4												✓
f.	Waiting periods		2												
g.	Gun safety and training		2												
h.	Pre-emption of local gun laws		1												
11.	**LAW ENFORCEMENT: SPECIAL PROGRAMS**	IV	**17**			**5**		**3**				**1,4**	**5**	**1**	
a.	Hate crimes (racial or religious) statistics collection		10			✓						✓			
b.	Gang violence		10			✓		✓							
c.	Standards, training, and review of law enforcement officers		7			✓						✓✓			
d.	Protection of special populations		6									✓		✓	

NAT'L RANK = National priority level (see Introduction)

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

STATE TOTAL = Number of states where issue identified as a top law enf./criminal justice priority

✓ = Respondent from that state who selected the subissue

Note: No responses were received from (or issues identified for) CA, CT, DC, MA, MS, NE, NM, PR, RI and WI.

Law Enforcement and Criminal Justice

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	1,2,4	1,2,2	2,3	1,1,3		4		5	2,4	1,1	1,2,2	1,1,2		1,1,4		1	1,4		1,1	1,2,5,5
a.	✓	✓✓	✓	✓✓✓					✓✓	✓✓	✓✓	✓		✓✓✓		✓	✓✓		✓✓	✓✓
b.	✓✓	✓✓	✓	✓✓		✓		✓	✓	✓✓	✓✓			✓✓			✓✓		✓✓	✓
c.	✓✓	✓✓	✓✓	✓✓✓				✓		✓✓		✓		✓✓✓					✓✓	✓✓
d.	✓					✓		✓			✓			✓			✓		✓	
e.		✓		✓					✓✓		✓	✓				✓				✓✓
2.	1,2,3	1,2,5	1,1,5	4,5	1				1,4	3,4	1,2,4	2,3		2,3		4	5		5	2,4
a.	✓✓	✓✓	✓	✓✓					✓	✓	✓	✓		✓					✓	✓
b.	✓✓	✓✓		✓					✓			✓		✓✓			✓			
c.	✓✓	✓	✓✓	✓					✓	✓	✓						✓		✓	
d.		✓	✓✓	✓					✓		✓✓✓			✓		✓			✓	
e.									✓		✓					✓				✓
f.		✓																		
3.	3,3	1,4,5	3,4	2,5	4	1		2	1	2,4		1,2,4		2,5		3,4	4		5	1,2
a.	✓	✓✓✓		✓		✓		✓	✓	✓				✓		✓			✓	✓
b.	✓	✓	✓	✓		✓		✓	✓			✓✓		✓✓		✓				✓
c.	✓	✓		✓		✓		✓	✓					✓					✓	
d.	✓		✓	✓		✓						✓		✓		✓			✓	✓
e.		✓	✓					✓	✓			✓		✓✓		✓	✓			✓✓
f.		✓							✓					✓		✓	✓			
g.				✓						✓		✓								
4.	4	3	4	1,3	3	2					3,3,4					2	2			3,4
a.	✓			✓✓		✓					✓✓✓						✓			✓
b.	✓	✓	✓	✓✓							✓									
c.						✓											✓			✓
d.		✓		✓													✓			✓✓
e.											✓✓					✓				
f.	✓		✓	✓							✓									
5.	1,2	3,3	2,3	4				3	2					3,3,4						
a.	✓	✓	✓✓					✓	✓					✓✓						
b.	✓		✓	✓										✓						
c.		✓✓												✓✓						
6.	4,5	4	4	2,3		3			3	2		3				1,3			2	
a.	✓	✓		✓✓		✓			✓							✓✓			✓	
b.	✓		✓			✓						✓								
c.				✓✓								✓							✓	
d.				✓✓					✓	✓						✓				
e.		✓																	✓	
7.			5	4	2	5			3	3	5,5	4,5					1,3		4	4
a.				✓		✓			✓	✓	✓	✓					✓✓		✓	✓
b.									✓		✓	✓					✓✓		✓	
c.				✓						✓	✓						✓		✓	
d.						✓				✓	✓✓								✓	
e.											✓									
8.	5							4	5	1				2,5			5			3
a.	✓							✓						✓✓						
b.									✓	✓				✓						
c.	✓							✓									✓			✓
d.	✓							✓									✓			
e.																	✓			
9.	5									2		3		4,5		2				1,2,3,5
a.	✓											✓		✓		✓				✓✓✓
b.												✓		✓						✓✓
c.	✓									✓										
d.														✓✓						✓✓
e.	✓													✓✓						✓✓✓
f.																				
10.			2	5				1		3,4,5	5					5,5	2,3		3,3	3,4,5
a.				✓				✓			✓						✓		✓✓	✓
b.										✓✓✓						✓✓	✓		✓	✓✓✓
c.								✓			✓						✓✓		✓✓	
d.			✓	✓				✓									✓✓			
e.										✓						✓			✓✓	
f.																	✓			✓✓✓
g.				✓															✓	
h.																				✓✓
11.		4,5	5	2	5						3	4,5,5		1					2,4	
a.		✓	✓								✓	✓		✓					✓✓	
b.		✓✓	✓	✓							✓	✓✓							✓✓	
c.				✓										✓					✓	
d.		✓✓									✓	✓								

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue

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Law Enforcement and Criminal Justice

Sentencing restructuring	✓	✓✓			✓✓						✓			✓
Intermediate sanctions or alternatives		✓			✓✓			✓			✓			✓✓
Community corrections state/local partnerships		✓			✓			✓						✓
Capital punishment									✓					
Other														
Parole/discretionary release		✓✓			✓				✓	✓				✓
Emergency (overcrowding-induced) release					✓					✓			✓	
Furloughs, work release, pre-parole					✓								✓	✓
Good time/earned time revisions		✓✓								✓				✓
Other														
Bail reform										✓✓				✓
Statewide drug strategy	✓				✓✓		✓	✓						
Enhanced penalties for drug crimes	✓						✓	✓						
Local coordination, funding	✓				✓		✓							
Treatment sanctions					✓		✓			✓				
Drug testing										✓				
Expansion of forfeiture provisions	✓							✓						
Other														
Treatment programs and services	✓				✓	✓		✓			✓			✓✓
Alternatives to incarceration (e.g., deinstitutionalization)						✓✓		✓			✓			✓✓
Status offenders						✓					✓			✓✓
Parental responsibility/liability								✓			✓			✓✓
Other	✓	✓			✓	✓							✓	
Removal from adult jails														✓✓✓
Construction of adult facilities					✓	✓✓	✓	✓		✓	✓		✓	✓✓✓
Construction of juvenile facilities					✓			✓			✓			✓
Other							✓							
Court management issues						✓		✓	✓	✓✓				
Judicial selection, compensation and retention		✓			✓	✓✓		✓		✓✓				
Public defender systems									✓	✓				
Other		✓												
Forensic technology (DNA, etc.)														
Victim compensation/notification		✓				✓				✓✓	✓			
Restitution enforcement		✓			✓	✓✓				✓				
Privacy protection														
Special populations (e.g., elderly, children)														
Other		✓												
Court order/consent decree compliance		✓			✓✓		✓							
Other	✓						✓			✓				
Prison education									✓					
Prison-based drug treatment							✓		✓					
AIDS in prison									✓					
Private facility management						✓	✓		✓					✓✓✓
Private-sector prison industry					✓✓	✓	✓		✓					✓✓✓
Community-based or juvenile facility contracts						✓✓	✓							✓
Contracting for services (e.g., medical, food)							✓							✓✓
Private financing/lease-purchase arrangements					✓									✓✓✓
Other							✓							
Gun crime penalties														
Background/I.D. check on gun purchasers														
Assault/semi-automatic weapons														
Parental liability														
Concealed weapon/permit to carry														
Waiting periods														
Gun safety and training														
Pre-emption of local gun laws														
Hate crimes (racial or religious) statistics collection										✓				✓
Gang violence	✓										✓			
Standards, training, and review of law enforcement officers										✓				✓
Protection of special populations										✓				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)

✓ = Respondent from that state who selected the subissue

Liability and Insurance

The priority insurance issue for state legislatures continues to center on the financial solvency of insurers. Broad, far-reaching state legislative enactments during 1991 were aimed at implementing strong state regulations. Fear that the insurance industry was on the brink of a crisis similar to that experienced by the savings and loan industry spurred the flurry of activity. An estimated 500 solvency-related bills resulted in enactments in at least 23 states.

Motor vehicle insurance was at the top of last year's insurance reform agenda, and more than half the states adopted legislation dealing with uninsured motorists, rate reductions, no-fault, mandatory coverage and related issues. These topics will remain at the center of motor vehicle insurance policy debates in the majority of states during 1992, according to *State Issues* respondents.

Legislatures in at least 30 states also expect to wrestle with civil justice reforms concerning award limits, frivolous suits, medical malpractice, alternative methods for dispute resolution and related issues.

Insurance Regulation and Company Operations

Financial regulation will likely be the focus of extensive legislative debate in 1992. Congressman John Dingell's report, *Failed Promises*, was highly critical of state insurance regulation of property and casualty insurers. In addition, the recent collapse of two huge life insurers presents legislators with the sobering reality that the safety programs established in 48 states may be inadequate. New Jersey, Louisiana and the District of Columbia do not have programs to cover life insurance policyholders when their insurance companies fail. Almost all states established guaranty programs for property and casualty insurers by the late 1970s. Life insurance programs were slower in being established since, typically, failures of life insurers were rare and losses from those that did fail were small. At least 18 states passed legislation last year addressing the adequacy of their liquidation and guaranty funds. *State Issues* respondents from 20 states put the issue high on their insurance reform agenda for 1992.

A number of insurers suffered financial trouble because they lost heavily on investments in high-yield, high-risk "junk bonds." The states have taken the initiative to reform financial regulations. An amendment, for example, to a New York Insurance Department regulation establishes more restrictive limits on life insurer holdings of lower-rated bonds. In 1991, five other states adopted or amended laws or regulations that specifically limit insurer holdings of certain investments: Florida, Indiana, Iowa, Minnesota and Nebraska. Legislatures in Connecticut, Michigan and New Hampshire also acted on this issue. (In addition, NCSL has strongly endorsed the National Association of Insurance Commissioners model legislation.) *State Issues* respondents from at least 17 states expect insurer investment practices to be a priority issue in 1992.

As legislatures review the capabilities of state insurance commissioners to regulate the financial solvency of insurers, they will consider legislation that may include mandatory CPA audits, increased capital and surplus requirements, guidelines for detecting companies in hazardous financial condition, tougher holding company laws, revisions of existing insolvency laws and additional state insurance department appropriations. Half the states passed legislation in 1991 regarding the capabilities of their commissions, and a comparable number plan to deal with this issue as a top priority in 1992.

Following recent efforts in Congress to repeal or amend the McCarran-Ferguson Act exempting insurance companies from federal antitrust law, several state legislatures will consider applying state antitrust laws to the insurance industry, as at least two states (Missouri and Texas) did last year.

Motor Vehicle Insurance

Problems related to uninsured and underinsured motorists continue to dominate legislative concerns in this area. *State Issues* respondents from 24 states consider this issue a priority for 1992. This can be attributed in part to the high cost of automobile insurance. Many factors contribute to the insurance premium rates that car owners pay, including the cost of new cars and car repairs, population density, automobile theft and insurance fraud, and the regulation of rates.

Last year, more than a dozen states adopted bills dealing with uninsured motorists, mandatory insurance and financial responsibility. These will be the main initiatives again in 1992. State legislatures also will review bills addressing theft prevention, safety measures and premium discounts linked to the completion of accident prevention courses.

No-fault legislation continues to be debated in the states; while some states move to adopt no-fault plans, others are exploring variations and alternatives. Georgia Governor Zel Miller signed a bill to repeal that state's no-fault law effective October 1, 1991. *State Issues* respondents from 17 states identified this issue as one of their insurance priorities for 1992.

States that raised their monetary threshold limits in order to stem the tide of lawsuits arising from automobile accidents--and saw only a limited impact--may consider enacting verbal thresholds in 1992. Verbal thresholds define under which circumstances (usually very serious injuries) a victim can sue. A verbal threshold differs from a monetary threshold which permits a victim to litigate provided medical costs exceed a certain limit.

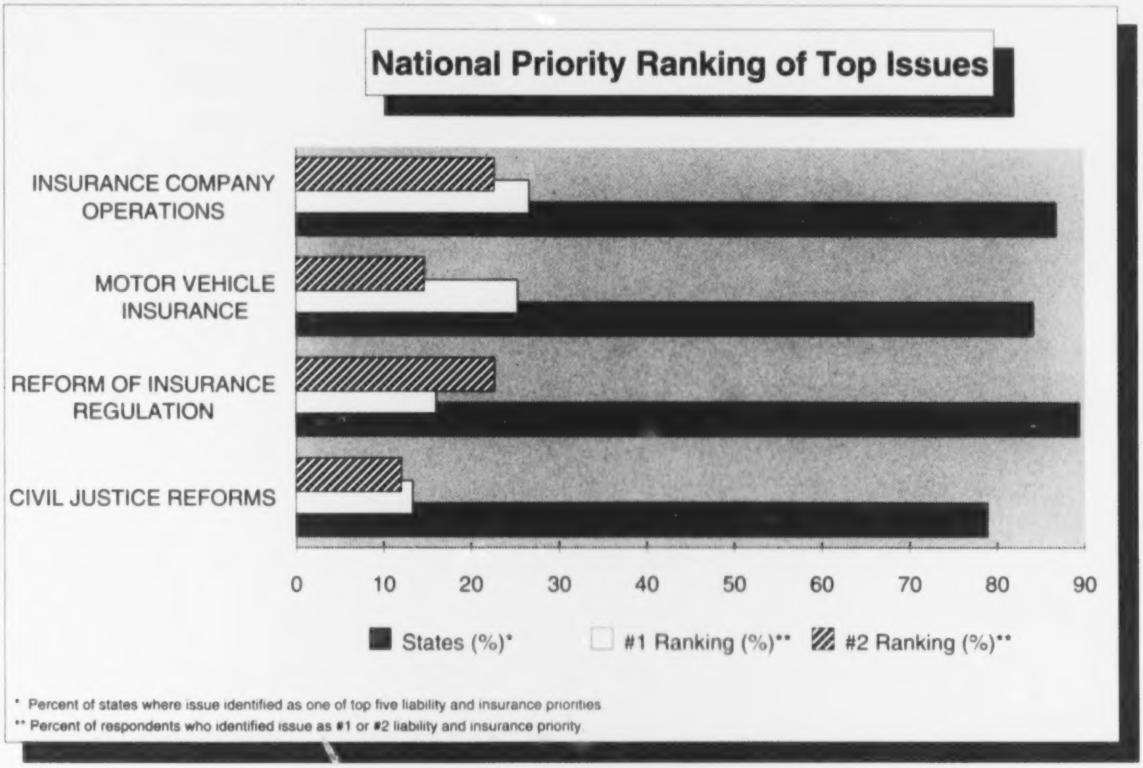
Civil Justice Reform

Civil justice reform has not received the media attention it did in the mid-1980s, but nevertheless remains a major issue in many states. In particular, caps on damage awards rank highest, with modification of joint and several liability, caps on punitive damages and dispute resolution mechanisms close behind. Medical malpractice also persists as a legislative concern. Half the states adopted civil justice reform bills last year, and at least 30 states will examine similar initiatives as top insurance reform priorities in 1992, according to *State Issues* respondents.

Since 1979, 10 states have passed limits on how much an individual can win in punitive damages. Five other states prohibit damages by statute or common law. The states that limit damages are: Alabama, Colorado, Connecticut, Florida, Georgia, Kansas, Nevada, Oklahoma, Texas and Virginia. The states of New Hampshire, Louisiana, Massachusetts, Nebraska and Washington prohibit damages. In addition, a 1991 U.S. Supreme Court decision may signal a need for state legislatures to reform the current system of awarding punitive damages. The Supreme Court ruled seven to one that the due process clause of the 14th Amendment does not mandate a limit on jury discretion over punitive damage awards. The court declared, however, that the United States Constitution requires trial judges to properly instruct jurors about the purpose of punitive damages and requires significant judicial review of jury awards.

Rate Regulation

Rate regulation is also likely to be debated in most states in session this year, particularly the issues of competitive rating and excess profits. States continue to look at restricting the use of territory as an automobile insurance risk classification factor. An example of this proposal is prohibiting use of an applicant's zip code to establish rates.



* Percent of states where issue identified as one of top five liability and insurance priorities

** Percent of respondents who identified issue as #1 or #2 liability and insurance priority

Other Priority Issues

Health insurance reform was identified as a top priority issue in Arizona, California, Louisana, Maryland, Michigan, Minnesota, New York, Ohio, Pennsylvania and Washington. Health insurance issues are covered in more detail in the Health Care section of this report. Maine, Missouri and Pennsylvania cited workers' compensation as a key issue in 1992 sessions; it is covered in more detail in the Labor section. Other top priority issues identified by *State Issues* respondents include long-term care insurance in Arizona (covered in the Elderly section), elimination of compulsory motor vehicle insurance in South Carolina, insurer termination of agent contracts in Delaware, and a utilization review of managed care in Connecticut.

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(Denver Office)

Liability and Insurance

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**INSURANCE COMPANY OPERATIONS**	I	**33**	**2**		**1,3**	**5,5**	**1,2**	**2,3,4**	**1**	**2**	**3**			**1,1,3**
a.	Insurance company solvency regulation		24	✓		✓	✓	✓✓	✓✓✓		✓	✓			✓✓✓
b.	Liquidation and guaranty funds		20			✓✓					✓	✓			✓✓✓
c.	Investment practices		17	✓		✓		✓	✓		✓				✓✓
d.	Claims practices		13			✓			✓						✓
e.	Fraud sanctions		7			✓			✓						✓
f.	Corporate or premium taxation		7			✓	✓								✓
g.	Holding Company Act provisions		6					✓							
h.	Other		4												
i.	Financial services consolidation		2												✓
2.	**MOTOR VEHICLE INSURANCE**	I	**32**	**1**	**1,2**	**1,2**	**1,1**	**1,3**	**1,1,1**	**4**		**1**		**1,2**	**4,5**
a.	Uninsured/underinsured motorists		24	✓	✓✓	✓	✓	✓✓	✓✓			✓		✓	✓✓
b.	No-fault/optional no-fault insurance		17	✓	✓	✓	✓		✓✓✓			✓		✓✓	
c.	Mandatory automobile insurance		16	✓	✓✓	✓	✓	✓✓	✓						✓
d.	Financial responsibility		14		✓	✓✓	✓✓		✓						✓
e.	Automobile theft and fraud		12		✓	✓✓	✓		✓					✓	
f.	Rate regulation/reduction		11		✓	✓	✓		✓✓✓					✓	
g.	Good driver discounts		11		✓✓				✓						✓
h.	Other		9			✓			✓						
i.	Collision damage waivers/car rentals		4									✓			✓✓
3.	**REFORM OF INSURANCE REGULATION**	I	**34**	**3**	**2**	**4**	**3**	**2,3**	**3,5**	**2**	**1**				**2,2,3**
a.	Capabilities of state Insurance Commissioner's office		22	✓	✓			✓✓	✓		✓				✓✓✓
b.	Notice of nonrenewal, cancellation or premium change		14						✓		✓				✓
c.	Annual report on competition, availability, and affordability		12			✓		✓							
d.	Modify capital or surplus requirements		12			✓		✓							✓
e.	Prohibit policy cancellations and nonrenewals		10		✓				✓						
f.	Apply state anti-trust laws to insurance industry		9	✓		✓									✓
g.	Req. evidence of value of civil justice reforms on rate levels		6								✓				
h.	Other		6												
4.	**CIVIL JUSTICE REFORMS**	II	**30**	**4**	**1,4**	**2,3**	**2,4**		**5**	**3**	**3**	**2**		**1**	**3**
a.	Caps on awards		14		✓✓	✓	✓		✓						✓
b.	Modification of joint and several liability		13		✓		✓		✓		✓	✓			
c.	Cap or abolish punitive damages		13	✓	✓✓		✓✓					✓			✓
d.	Alternative mechanisms for dispute resolution		13		✓	✓✓	✓								
e.	Control of frivolous suits and defenses		12	✓	✓				✓					✓	
f.	Medical malpractice		12	✓	✓✓										
g.	Regulation of attorney fees		10		✓	✓			✓					✓	
h.	Product liability		9		✓✓										✓
i.	Other		3			✓									
5.	**RATE REGULATION**	II	**32**	**5**	**3**	**5**	**4**	**4**	**2,2**	**5**	**5**			**2**	**2,4**
a.	Competitive rating		13				✓		✓					✓	✓
b.	Excess profits		12		✓			✓						✓	✓
c.	Territory		9						✓✓						✓
d.	Role of rating organizations		9					✓			✓				✓✓
e.	Pre-approved rates		9												
f.	Rate roll backs		8	✓	✓		✓		✓✓						
g.	Gender		4						✓						✓
h.	Other		3												
6.	**PROPERTY INSURANCE**	III	**11**		**3**		**3**					**5**			**1**
a.	Other		5												✓
b.	Arson		3		✓										
c.	Earthquake		3				✓								
d.	Social host liability		1									✓			
7.	**SOVEREIGN IMMUNITY**	III	**7**		**5**			**5**				**4**			
a.	Alternative financing for state/local gov't liability insurance		3		✓										
b.	Other		3					✓				✓			
8.	**DRAM SHOP**	III	**7**												**5**
a.	Caps on damage awards		4												✓
b.	Require alcohol server training/awareness courses		2												✓
c.	Extend liability to social hosts		2												✓
d.	Limit immunity for sellers, distributors, or manufacturers		1												
e.	Other		1												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top liability and insurance priority

Note: No responses were received from (or issues identified for): GA, KY, MA, MS, NM, PR and TN.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Liability and Insurance

	ID	IL	IN	KS	KY	LA	MA	MD**	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**2,3,4**	**1,1,1**	**2**	**1**		**1,3,5**			**4**	**2,2,3,4**	**1,2**	**3**		**5**	**2**		**1,4**		**2,5**	**1,2,4,5**
a.	✓✓	✓✓	✓	✓		✓✓✓				✓✓✓✓	✓✓	✓					✓✓		✓✓	✓✓
b.	✓✓	✓		✓		✓✓✓				✓✓	✓✓	✓					✓		✓✓	
c.		✓✓		✓		✓			✓	✓✓							✓✓			✓
d.	✓✓	✓✓		✓		✓					✓	✓		✓			✓✓		✓	✓
e.	✓					✓											✓			
f.	✓✓✓	✓										✓								
g.										✓										✓
h.																				
i.																	✓			
2.	**1,3,4**	**3,4,5**	**4**	**4**		**1,2,3**			**2,3,3**	**1,4,4,5**	**4,4**	**2**		**2**			**1,4**		**2,4**	**2,4,5**
a.	✓✓✓			✓		✓				✓	✓	✓					✓		✓✓	✓
b.	✓	✓				✓✓✓			✓✓✓	✓✓	✓	✓		✓			✓			
c.			✓			✓				✓				✓			✓			
d.	✓✓			✓		✓						✓		✓					✓	✓✓
e.				✓						✓	✓						✓		✓	
f.		✓				✓				✓✓✓				✓					✓	
g.	✓	✓✓		✓		✓✓				✓				✓			✓		✓	
h.	✓									✓	✓								✓	
i.										✓✓✓							✓			
3.	**2,3**	**2,2,2**	**3**	**2**		**1,4,4**			**1,2**	**2,3,4**	**3,3,5**	**1**		**3**	**1**	**1,1**	**2,3**		**3,5**	**1,2,3,4**
a.	✓	✓✓	✓	✓		✓✓			✓✓	✓✓✓	✓✓	✓			✓		✓			✓✓✓
b.	✓		✓	✓		✓✓				✓	✓✓			✓			✓			
c.	✓	✓	✓	✓		✓✓				✓				✓		✓				✓✓
d.	✓			✓		✓				✓✓	✓✓				✓		✓✓			
e.	✓✓			✓		✓✓				✓	✓			✓		✓				
f.		✓							✓	✓✓✓		✓		✓						
g.	✓					✓				✓										
h.		✓										✓				✓			✓✓	
4.	**1,1,2**	**3,5**	**1**	**3**		**2,3**			**5**	**1,2,3**	**2,2**	**5**		**1**	**3**	**4**				**1,3,3**
a.	✓	✓	✓			✓				✓✓✓	✓									
b.	✓✓		✓			✓				✓✓✓	✓✓									
c.	✓		✓			✓				✓✓										✓
d.	✓	✓	✓	✓		✓				✓✓✓		✓		✓						
e.	✓✓		✓	✓						✓✓	✓									✓✓
f.	✓		✓	✓		✓			✓	✓✓✓	✓✓	✓								✓
g.			✓	✓		✓			✓	✓✓✓										
h.			✓	✓		✓				✓✓				✓						
i.																✓				
5.	**5**	**3,4,4**	**5**	**5**		**4**			**1,2,3**	**1,1,5**	**1**	**4**		**4**	**4**	**2**	**2**		**3,4**	**2,3**
a.									✓✓	✓				✓			✓		✓	
b.			✓						✓✓	✓✓✓	✓			✓			✓			✓
c.		✓✓	✓							✓✓✓				✓						
d.				✓					✓✓	✓✓		✓		✓					✓	
e.	✓	✓								✓				✓		✓	✓		✓	✓
f.										✓✓✓										✓
g.		✓✓														✓				
h.									✓										✓	
6.		**5**															**3**			
a.		✓																		
b.																				
c.																	✓			
d.																				
7.															**5**	**2**				
a.																				
b.																✓				
8.	**5**					**5**					**3**					**3**	**5**			
a.											✓						✓			
b.	✓																			
c.	✓																			
d.																	✓			
e.																✓				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

**MD identified one priority that is indicated only in the summary.

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Liability and Insurance

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**INSURANCE COMPANY OPERATIONS**	**1,1,3**	**1,1,2**		**3**	**5**			**1**	**1**	**2**	**1,2,2**	**2**	**3**	
a.	Insurance company solvency regulation	✓✓	✓✓✓		✓				✓			✓✓✓			
b.	Liquidation and guaranty funds	✓✓	✓✓			✓			✓	✓	✓	✓			
c.	Investment practices	✓✓	✓✓						✓			✓			
d.	Claims practices														
e.	Fraud sanctions		✓												
f.	Corporate or premium taxation	✓													
g.	Holding Company Act provisions		✓✓		✓				✓						
h.	Other	✓	✓										✓	✓	
i.	Financial services consolidation														
2.	**MOTOR VEHICLE INSURANCE**	**5**	**1,4**		**2**	**3**			**2**			**4,5**	**1,1**	**1**	**4**
a.	Uninsured/underinsured motorists				✓				✓			✓	✓✓	✓	✓
b.	No-fault/optional no-fault insurance											✓✓			
c.	Mandatory automobile insurance								✓			✓✓	✓✓		✓
d.	Financial responsibility	✓							✓						
e.	Automobile theft and fraud					✓						✓			
f.	Rate regulation/reduction		✓												
g.	Good driver discounts														
h.	Other		✓✓			✓							✓✓		
i.	Collision damage waivers/car rentals														
3.	**REFORM OF INSURANCE REGULATION**	**4**	**2,4**				**1**		**3**	**2**	**1**	**1,1,4**	**3**	**4**	**2**
a.	Capabilities of state Insurance Commissioner's office		✓						✓		✓	✓✓✓			
b.	Notice of nonrenewal, cancellation or premium change	✓												✓	✓
c.	Annual report on competition, availability, and affordability									✓					
d.	Modify capital or surplus requirements	✓										✓✓			
e.	Prohibit policy cancellations and nonrenewals		✓												
f.	Apply state anti-trust laws to insurance industry														✓
g.	Req. evidence of value of civil justice reforms on rate levels	✓											✓		
h.	Other		✓									✓✓			
4.	**CIVIL JUSTICE REFORMS**	**2**	**3**		**4**	**1**						**3**	**3,5**		**1**
a.	Caps on awards	✓										✓			✓
b.	Modification of joint and several liability	✓										✓			✓
c.	Cap or abolish punitive damages		✓									✓			✓
d.	Alternative mechanisms for dispute resolution					✓									✓
e.	Control of frivolous suits and defenses	✓				✓									
f.	Medical malpractice				✓										
g.	Regulation of attorney fees											✓			
h.	Product liability	✓													✓
i.	Other												✓		
5.	**RATE REGULATION**	**1**	**3,5**		**1**				**5**			**5**	**2**		**5**
a.	Competitive rating	✓	✓		✓							✓			
b.	Excess profits														✓
c.	Territory		✓						✓				✓		
d.	Role of rating organizations														
e.	Pre-approved rates		✓												
f.	Rate roll backs		✓												✓
g.	Gender														
h.	Other		✓												
6.	**PROPERTY INSURANCE**					**4**			**4**		**3**		**4**	**2**	
a.	Other					✓							✓	✓	
b.	Arson					✓					✓				
c.	Earthquake								✓						
d.	Social host liability														
7.	**SOVEREIGN IMMUNITY**					**2**									**3**
a.	Alternative financing for state/local gov't liability insurance					✓									✓
b.	Other														
8.	**DRAM SHOP**				**5**										
a.	Caps on damage awards				✓										
b.	Require alcohol server training/awareness courses														
c.	Extend liability to social hosts														
d.	Limit immunity for sellers, distributors, or manufacturers														
e.	Other														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).
✓ = Respondent from that state who selected the subissue.

State Government

Again this year campaign and election issues--particularly redistricting, campaign expenditure limits and campaign contribution limits--will garner the attention of a majority of the states in session. Terms of office for elected officials and government ethics are also high priorities in many states.

Campaigns and Elections

Redistricting Redistricting, the redrawing of political district boundaries for state legislative and congressional seats, began in earnest in 1991 following the distribution of 1990 census data to the states. The initial responsibility for redistricting state legislative lines falls directly to the legislatures in 39 states. In 40 of the 43 states with more than one seat in Congress, the legislature draws the new congressional district boundaries. In nine states a commission external to the legislature has the responsibility for redrawing legislative district lines. Hawaii, Montana and Washington place congressional redistricting in the hands of a commission. Only Alaska and Maryland allow the governor to redistrict the legislature.

Although almost 20 states finished all of their redistricting duties in 1991 and another 10 states finished either their legislative or congressional maps, enough states delayed the task until 1992 so that redistricting retained its spot as a high priority among state government issues. Twenty-seven states expect to see redistricting on their legislative agendas this year.

Even though a number of states have completed redistricting, it is likely that many of them will have to tackle the job again as a result of the courts overturning their first plans. Wyoming was one of the first states to finish redistricting in 1991, but a federal court threw out its plans due to an "equal population" violation. The Legislature will have to adopt new plans when it reconvenes in 1992. When the Oregon legislature failed to enact a new congressional map, several groups sued. The court refused to draw the lines, saying it was a legislative task and ordered the legislature to try again. Already, several states are in court defending their plans that are being attacked primarily for not abiding by the Voting Rights Act, or for violating the one person, one vote principle.

States taking up redistricting in 1992 will have to resolve some of the same issues that faced the states that completed their work in 1991. How much access should outside groups be given to the process, the data and the technology used to perform redistricting? Several states, including New York and North Carolina, promulgated extensive guidelines governing public access to the process. Both of those states provided computers to outside groups on a first come, first served basis so that those outside of the legislature could develop alternative maps for introduction into the debate. States must also decide if they want to adopt strict guidelines before starting the process and what should comprise such guidelines.

Litigation is pending on the issue of whether the census data should be statistically adjusted to make up for those people that the census bureau missed in its 1990 count. California, Florida and New York are among a handful of states exhausting every legal avenue to gain access to adjusted census counts that the census bureau has produced but refuses to release. These states are considering using the adjusted figures for their redistricting.

Campaign Finance Campaign finance has been a top priority with state legislatures for several years, and with elections coming up in most states in 1992 it will continue to receive major attention.

In 1991, 24 states enacted legislation dealing with some aspect of campaign finance: contribution limits, expenditure limits, financial disclosure and public financing of campaigns.

Given the years of experience that states have had with campaign finance laws, plus skyrocketing campaign costs, in most states the focus now is on changes in existing statutes, including changes aimed at holding down the cost of running for state elective offices.

Florida enacted a comprehensive restructuring of its campaign finance statutes at the 1991 session. The Florida legislation lowered contribution limits for individuals, PACs and corporations--from $3,000 for candidates in statewide contests and $1,000 for legislative races to a limit of $500 for all candidates. Independent expenditures of more than $1,000 for or against a candidate must be reported to all the candidates in the race and to the public filing officer within 24 hours of commitment of funds.

Other states with maximum contribution limits comparable to Florida include Alaska, California and South Dakota ($1,000 per contributor annually), Montana ($1,500 per contributor annually), and Wyoming (a two-year limit of $1,000).

A majority of states in session this year plan to take up issues related to campaign finance, including expenditure limits (25 states), financial disclosure statements (19 states) and public financing of campaigns (also 19 states).

A 1976 U.S. Supreme Court decision *(Buckley vs. Valeo)* struck down mandatory limits on campaign expenditures. Voluntary compliance with expenditure limits is acceptable for public financing programs, and 21 states currently have some form of public financing--for candidates or for political parties, and in some instances both. In most states, public financing is provided only for statewide candidates, not for legislative races. (Minnesota, Wisconsin and Hawaii are exceptions.)

Florida enacted a public financing statute in 1986, but the legislature did not fund the program. The 1991 legislation provides funding through a surcharge on PAC and party contributions, increased filing fees, and a number of citizen-option add-on fees and taxes. Kentucky will consider changes in that state's public financing program at the 1992 session, as will Minnesota, New York, Wisconsin and 15 other states.

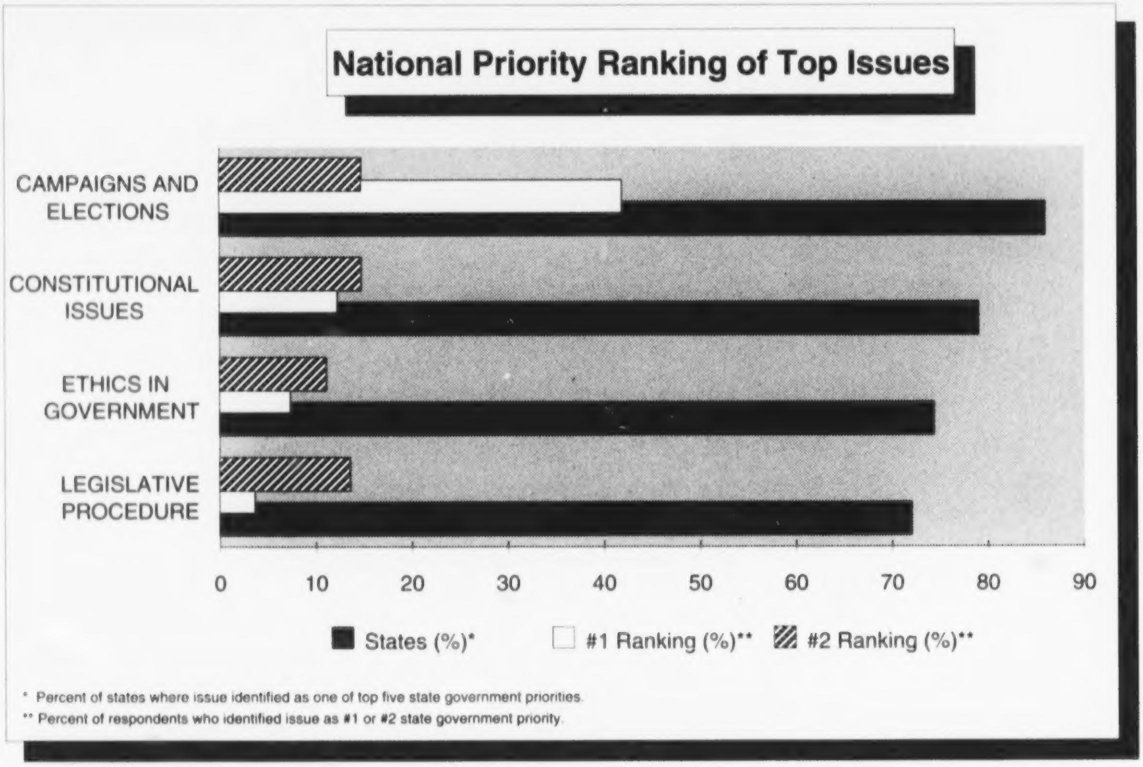
Constitutional Issues

So far, neither Congress nor any state legislature has imposed limits on the length of service of its members. But citizens have. Voters in California, Colorado and Oklahoma approved term limits in 1990. More than 140 bills limiting state legislators' terms were introduced in 45 states during the 1991 session; at least 27 states plan to consider term limitations this year according to *State Issues* responses. The legislation being proposed runs a wide gamut. Some bills limit both legislators and constitutional officers, some limit the number of consecutive terms served, and some place a strict limit on total years of service.

Ethics in Government

Closely linked to campaign finance is another issue that is high on the list of state legislative priorities: governmental ethics. Before the Watergate scandal of the early 1970s, few states had comprehensive ethics statutes. Now every state has some form of ethics laws to prevent public officials in the legislative, executive and judicial branches from using their positions for personal gain. In 1991, 26 states enacted legislation concerning ethics. The most comprehensive legislation on this subject was enacted by South Carolina at a special session. The lengthy (151-page) bill includes sections on lobbyists and lobbying, a state ethics commission, Senate and House ethics committees, rules of conduct, financial disclosure and campaign practices.

A majority of states will debate ethics legislation this year, according to *State Issues* respondents. Legislatures will focus particular attention on conflict of interest (22 states), legislative ethics committees



National Priority Ranking of Top Issues

* Percent of states where issue identified as one of top five state government priorities.
** Percent of respondents who identified issue as #1 or #2 state government priority.

(14 states), ethics boards and commissions (13 states) and post-government employment (12 states).

Public Pensions

Public pension issues, specifically members' benefits and health benefits for retirees, remain a high priority for state legislatures, with over half the states planning to address these issues in 1992. The primary issue for states is how to fund these benefit programs. With the cost of health care continually on the rise and pressure at the federal government level to institute a national health care plan, state expenditures for benefits will only increase.

Another area of growing interest is the investment management of benefits. With over 30 states facing severe fiscal pressures and a sluggish economy, states have looked at pension money to address budget problems. Some state governments have reduced their annual contributions to pension funds by stretching out payments or by changing accounting methods and assumption rates. Although it is difficult to assess whether the soundness of pension systems is being endangered by these techniques, public employees and pensioners are asking for federal protection.

Other Priority Issues

Other priority state government issues identified by *State Issues* survey respondents include gambling in Ohio, public education quality and cost in Colorado, state employee salaries and benefits in Virginia, efficiency in government operations in Colorado, and amendment of eminent domain statutes in Pennsylvania.

NCSL Staff Contacts: Tommy Neal, Campaign Finance (Denver Office); Nancy Rhyme, Term Limitations (Denver Office); Tim Storey, Redistricting (Denver Office) and Susan Wolfe, Public Pensions (D.C. Office)

State Government

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**CAMPAIGNS AND ELECTIONS**	**I**	**37**	**1**	**1**	**2**	**1,3**			**5**	**1**		**1**	**1,3,5**	**5,5**
a.	Redistricting		27	✓	✓	✓	✓						✓		
b.	Expenditure limits		25	✓	✓	✓				✓	✓		✓	✓	✓
c.	Contribution limits		23	✓	✓	✓				✓	✓		✓	✓✓	✓
d.	Financial disclosure statements		19		✓	✓								✓✓	✓
e.	Public financing of campaigns		19		✓		✓			✓				✓	✓
f.	Leadership and fundraising/transfer of funds		14				✓				✓		✓		✓
g.	Other		6											✓	
2.	**CONSTITUTIONAL ISSUES**	**II**	**34**		**3**	**3,4**				**3**	**2**			**3,4,5**	
a.	Terms of office for elected officials		27		✓	✓✓				✓	✓			✓	
b.	Legislative oversight		14			✓✓				✓				✓	
c.	Separation of powers		13											✓	
d.	Session length		13		✓	✓✓					✓				
e.	Legislative veto of administrative rules		12											✓	
f.	Other		5												
3.	**ETHICS IN GOVERNMENT**	**III**	**32**	**4**	**4**	**1**		**5**			**4**	**1**	**5**	**1**	
a.	Conflict of interest		22	✓	✓	✓					✓		✓		
b.	Legislative ethics committees		14			✓							✓		
c.	Role/authority of ethics boards and commissions		13	✓	✓									✓	
d.	"Revolving door" (post-government employment)		12	✓		✓					✓			✓	
e.	Dual office holding/resign-to-run rules		5												
f.	Other		5									✓			
4.	**PUBLIC PENSIONS**	**III**	**29**	**3**		**2**	**5**		**5**	**2**			**4**	**4**	**1,1,4**
a.	Members' benefits		17			✓	✓		✓				✓		✓✓
b.	Investment management		15	✓						✓					✓✓
c.	Health benefits for retirees		13	✓					✓				✓		✓✓
d.	Other		8							✓				✓	✓
e.	Divestiture (e.g., South Africa, Ireland)		4												
f.	State reciprocity		3												✓
5.	**LEGISLATIVE PROCEDURE**	**III**	**31**		**2**	**4**	**2,2**		**4**		**5**		**3**	**2,2,4**	**1,2**
a.	Budget process reform		19		✓	✓	✓✓		✓				✓		✓✓
b.	Open meetings law		13											✓	✓
c.	Bill limits		13			✓									
d.	Rules (general)		9								✓			✓✓	
e.	Conference committees		7			✓									
f.	Other		5											✓✓	
g.	Deadlines		4											✓	
6.	**GOVERNMENT ORGANIZATION**	**IV**	**25**		**5**	**1**	**5**	**2**	**1,2**	**4**				**1,3**	**2,3,3**
a.	Executive branch reorganization		12						✓✓	✓				✓	✓✓✓
b.	Space needs and office construction/renovation (legislative)		10			✓				✓				✓✓	✓
c.	Legislative computerization		9		✓	✓									
d.	Legislative staff and staff reorganization		9		✓	✓	✓		✓						
e.	Other		9					✓						✓	✓
f.	Legislative committee reorganization		4		✓				✓	✓					
7.	**LOBBYING AND LOBBYISTS**	**IV**	**23**	**2**		**3**			**3**		**3**			**2,5**	
a.	Reporting requirements		15			✓					✓			✓✓	
b.	Public employee lobbyists (executive and judicial)		9	✓					✓		✓				
c.	Prohibited activities		9	✓		✓									
d.	Registration requirements		8											✓✓	
e.	Ethics		8			✓								✓	
f.	Other		2												
8.	**SALARIES AND BENEFITS – STAFF**	**V**	**17**				**1,4**		**3,5**	**1**					**2,3,4**
a.	Raises		13				✓		✓						✓
b.	Job classification plans		6						✓						✓
c.	Other		6				✓			✓					
d.	Merit pay		5				✓								✓
e.	Benefits plans		5						✓	✓					✓✓
9.	**VOTER REGISTRATION**	**V**	**17**				**4**		**2**				**2**		
a.	Mail-in registration		11												
b.	Registration linked to driver's license (motor voter)		11				✓		✓				✓		
c.	Same-day registration		8						✓				✓		
d.	Expanded registration sites		6										✓		
10.	**SALARIES AND BENEFITS – ELECTED OFFICIALS**	**VI**	**12**	**5**		**5,5**			**4**						**4**
a.	Raises		8	✓		✓✓			✓						
b.	Per diem or other expense allowances		8	✓		✓✓									✓
c.	Compensation commissions		4	✓					✓						
d.	Supplemental retirement programs		2												✓
e.	Outside income		1												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top state government priority.

Note: No responses were received from (or issues identified for): NM, PR, and WV.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

State Government

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**1,1,1**			**1,1**	**1,1,2**	**4**	**4**	**1**	**3,5**	**1,1,1,1**	**1,1**	**2,3,4**	**4**		**1,2**	**1**	**3**		**1,3**	**1,2,2**
a.	✓✓✓			✓✓	✓✓✓		✓	✓	✓✓	✓✓✓✓	✓✓				✓✓	✓	✓		✓✓	✓✓
b.	✓				✓	✓	✓			✓✓		✓✓✓			✓	✓	✓		✓	✓✓
c.	✓				✓✓✓	✓	✓			✓	✓	✓✓					✓			✓
d.					✓	✓	✓		✓	✓✓	✓					✓				✓
e.	✓				✓✓	✓	✓			✓	✓✓						✓		✓✓	
f.									✓	✓	✓	✓					✓			✓
g.											✓				✓					✓
2.	**2,2,4**	**5**	**5**	**2**	**2,3**	**3**	**1**		**1,2,5,5**	**2,3,4,4**	**3**	**1,2**	**1**	**2**	**1,3,3**	**3**	**1**		**5**	**2,3,5**
a.	✓✓✓	✓	✓		✓	✓	✓		✓✓✓✓	✓✓✓	✓	✓✓			✓✓✓	✓	✓		✓	✓✓✓
b.	✓	✓			✓		✓		✓	✓✓		✓					✓			✓
c.					✓✓	✓	✓		✓	✓		✓		✓	✓					✓
d.		✓			✓		✓		✓✓	✓				✓	✓	✓				
e.	✓✓				✓		✓		✓						✓		✓		✓	
f.				✓	✓											✓				
3.	**3**	**3,4**		**2**	**1,2,3**	**5**			**4**	**3,4**	**2**	**3**	**3**		**2,4**	**2,4**	**5**		**4,4**	**3**
a.	✓	✓			✓✓✓	✓			✓	✓✓	✓	✓			✓✓	✓✓	✓			
b.	✓	✓			✓					✓		✓				✓✓	✓			
c.					✓✓	✓										✓✓	✓		✓	
d.		✓		✓												✓	✓			
e.		✓													✓✓	✓	✓			
f.					✓											✓			✓	
4.		**1,2**	**2**	**3,3**	**3,4**		**3**	**3**	**2,4**	**4,5**	**1,5**	**4**	**5**	**5**	**4**	**3**				**1,4**
a.		✓✓			✓✓		✓		✓	✓		✓			✓					✓
b.			✓	✓✓	✓		✓		✓		✓✓				✓					✓
c.		✓			✓✓				✓		✓			✓						✓✓
d.								✓			✓					✓				
e.									✓✓						✓					
f.					✓				✓											
5.	**3,4**	**3**	**3**	**4**	**4**	**2**	**4**		**3,3**			**1,2,5**		**1**	**3**	**4**	**2**		**2**	**5**
a.	✓			✓	✓	✓			✓✓			✓✓✓		✓			✓		✓	
b.	✓	✓			✓		✓		✓								✓			✓
c.	✓		✓			✓			✓✓			✓			✓	✓			✓	
d.	✓								✓✓			✓					✓			
e.			✓						✓			✓								✓
f.			✓				✓								✓	✓				
g.						✓			✓											
6.	**2**			**5**	**5**		**2**	**2**	**1,1,1,2**		**2,3**			**4**	**5**	**5**	**4**		**1**	**1**
a.					✓		✓		✓✓✓		✓✓								✓	
b.					✓				✓					✓	✓					✓
c.	✓			✓											✓				✓	✓
d.									✓✓					✓	✓		✓			✓
e.								✓			✓					✓				
f.																				
7.		**2,5**	**4**			**1**			**4**	**3**	**4**	**1,3,5**	**2**	**3**	**5**				**3,5**	**4,4**
a.		✓✓	✓			✓			✓	✓	✓			✓					✓	
b.						✓						✓			✓					
c.						✓						✓✓		✓						
d.		✓				✓			✓	✓		✓							✓	
e.						✓					✓	✓								✓
f.															✓				✓	
8.	**5**	**1,4**	**1**		**4,5**			**4**	**3**	**3**	**3**	**5**								
a.	✓	✓	✓		✓				✓			✓								
b.		✓			✓				✓											
c.					✓			✓		✓	✓									
d.											✓									
e.		✓✓																		
9.	**5**						**5**	**5**		**2,2,5**	**2**	**4**			**2,5**				**2**	**5**
a.	✓						✓	✓		✓✓✓	✓	✓			✓✓					✓
b.	✓							✓		✓									✓	✓
c.							✓	✓		✓✓✓					✓✓					
d.										✓		✓								✓
10.									**2**	**2**	**4**				**4**					
a.										✓										
b.									✓	✓					✓					
c.										✓										
d.											✓									
e.																				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

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State Government

MAJOR ISSUE AREAS **Subissues**	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1. CAMPAIGNS AND ELECTIONS	2,3	1,1		2	1	1,4	1	1,2	5	1,3	1	1,2		1,2,2
a. Redistricting		✓✓		✓	✓		✓	✓	✓	✓		✓✓		✓✓✓
b. Expenditure limits		✓		✓		✓✓				✓	✓	✓✓		
c. Contribution limits	✓			✓		✓✓				✓	✓	✓✓		
d. Financial disclosure statements	✓	✓		✓			✓	✓		✓		✓		
e. Public financing of campaigns	✓	✓		✓						✓	✓	✓✓		
f. Leadership and fundraising/transfer of funds	✓✓			✓				✓				✓		
g. Other		✓										✓		
2. CONSTITUTIONAL ISSUES	5	3		4	2	1,2	4	1,3	3	1,4		3,5		1
a. Terms of office for elected officials				✓		✓	✓	✓✓		✓		✓		✓
b. Legislative oversight		✓										✓		
c. Separation of powers					✓					✓		✓		
d. Session length									✓	✓				
e. Legislative veto of administrative rules	✓									✓		✓✓		✓
f. Other						✓						✓✓		
3. ETHICS IN GOVERNMENT	2,4			1	3	5	2	3,4			2	1,2		4
a. Conflict of interest	✓✓			✓			✓	✓✓				✓✓		✓
b. Legislative ethics committees				✓		✓	✓	✓			✓			
c. Role/authority of ethics boards and commissions	✓✓			✓	✓						✓	✓✓		
d. "Revolving door" (post-government employment)	✓			✓				✓				✓✓		
e. Dual office holding/resign-to-run rules												✓		
f. Other												✓		
4. PUBLIC PENSIONS	1,1,1			3		5			2	2,2		4		
a. Members' benefits	✓✓✓			✓		✓				✓				
b. Investment management	✓			✓					✓	✓				
c. Health benefits for retirees	✓✓					✓			✓					
d. Other										✓		✓		
e. Divestiture (e.g., South Africa, Ireland)	✓									✓				
f. State reciprocity														
5. LEGISLATIVE PROCEDURE	4			5			3	2	4	5		3,4		3,5
a. Budget process reform							✓	✓	✓			✓✓		
b. Open meetings law				✓					✓			✓		✓
c. Bill limits	✓							✓				✓		✓✓
d. Rules (general)	✓			✓				✓						
e. Conference committees								✓						✓
f. Other														
g. Deadlines								✓						
6. GOVERNMENT ORGANIZATION	3	4									5			2,3,5
a. Executive branch reorganization	✓	✓												✓✓
b. Space needs and office construction/renovation (legislative)	✓													
c. Legislative computerization		✓												✓
d. Legislative staff and staff reorganization														
e. Other		✓									✓			✓
f. Legislative committee reorganization														✓
7. LOBBYING AND LOBBYISTS	3,5	2				3		4,5		4,5	3			
a. Reporting requirements	✓	✓								✓	✓			
b. Public employee lobbyists (executive and judicial)	✓✓					✓		✓						
c. Prohibited activities	✓					✓		✓		✓				
d. Registration requirements		✓												
e. Ethics								✓✓		✓				
f. Other														
8. SALARIES AND BENEFITS – STAFF	2,5				5	3								3,4,4
a. Raises	✓✓				✓	✓								✓✓✓
b. Job classification plans														✓
c. Other														
d. Merit pay	✓✓													✓
e. Benefits plans	✓													
9. VOTER REGISTRATION		3,5			4			5		3	4			
a. Mail-in registration		✓								✓	✓			
b. Registration linked to driver's license (motor voter)		✓						✓		✓				
c. Same-day registration								✓		✓				
d. Expanded registration sites		✓								✓				
10. SALARIES & BENEFITS – ELECTED OFFICIALS	4					2,4						5		5
a. Raises	✓					✓✓						✓		✓
b. Per-diem or other expense allowances												✓		✓
c. Compensation commissions	✓													
d. Supplemental retirement programs														
e. Outside income												✓		

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)

✓ = Respondent from that state who selected the subissue

Telecommunications

Again this year lawmakers will focus attention on issues related to protection of telephone consumers, especially consumer privacy. Regulation of many aspects of the telecommunications industry and the services it offers will also top the telecommunications agendas of more than half the states in session in 1992.

Consumer Protection and Privacy

Introduction of new telecommunications technologies (especially caller identification) and expansion of existing technologies (900-type numbers in particular) in recent years continue to challenge legislatures and utility commissions alike. The challenge is to establish policies that both encourage development of new products and services and ensure consumer access, while protecting what many consumers view as their right to privacy as well as a basic level of phone service at low cost. Last year New York became the first state to establish guidelines for evaluating the effect new telephone services may have on customer privacy.

Most states plan to address regulation of some aspect of pay-per-call services in 1992 sessions. Pay-per-call (also known as "900," "976," "700" and "dial-it") services provide a variety of prerecorded and live information and entertainment for a fee; they are usually offered by non-telephone company (therefore unregulated) providers. State regulators and lawmakers are instituting safeguards for consumers who accumulate high telephone bills as a result of calls to these services.

About a dozen states considered legislation last year to regulate pay-per-call companies doing business in their states. Several, including Illinois, Oregon and Virginia, enacted comprehensive pay-per-call legislation providing for free blocking, delayed timing of charges, price disclosure in advertisements, details of charges on the customer's telephone bill, a preamble stating the name and cost of the program and date recorded, and special restrictions on pay-per-call services for children. The Federal Communications Commission (FCC) placed restrictions on interstate 900 services in 1991, and several pay-per-call bills have also been pending in the U.S. Congress for the past two years.

State regulators this year will also likely debate some of the privacy aspects of 900-type services. Providers of pay-per-call services and direct marketers with 800 numbers usually are able to obtain callers' telephone numbers through the use of an Automatic Number Identification (ANI) system. This in turn allows them to identify the caller's address, age, sex and other personal information. Consumer advocates have requested the FCC to suspend ANI services on these calls until customer safeguards can be implemented.

How to regulate caller identification (Caller ID) services continues to occupy a prominent position on the telecommunications agendas of state legislatures and public utility commissions. About half of the states in session in 1992 expect to consider Caller ID. First introduced in 1987, Caller ID allows customers to view the telephone numbers (and sometimes the names) of incoming callers before answering. The purpose of Caller ID is to protect the privacy of those who receive calls, but many states have considered restricting its use to protect the privacy of those who must maintain their anonymity or who have unpublished numbers.

A 1990 Pennsylvania appeals court ruling prohibits Bell Atlantic from offering the service in that state. The Pennsylvania Supreme Court is currently hearing arguments on the case.

The most common approach among states to regulating Caller ID is to require telephone companies to offer per-call or per-line blocking to customers who do not want their phone numbers revealed. The FCC has also proposed blocking requirements for interstate Caller ID services. One state utility commission (Massachusetts) recently ruled that per-line blocking must also include a per-call unblocking feature. Nevada will allow telephone companies to offer a "block the blocker" feature to automatically reject all unidentified calls.

Telemarketing

Most states have been regulating telephone solicitation for some time. Legislative action in 1991 focused on strengthening existing regulation or legislation (especially those related to automatic dialed announcing devices--ADADs) and on incorporating restrictions on unsolicited telefacsimile transmissions ("junk fax"). Over half the states expect to address "junk" phone calls this year; proposals will likely include restrictions on the use of ADADs, such as time of day and random number dialing. Several states, including Nebraska, North Dakota and Utah, enacted junk fax legislation last year. Legislation to regulate unsolicited telephone and telefacsimile transmissions is also pending in the U.S. Congress, as well as legislation to strengthen the Federal Trade Commission's authority to protect consumers from deceptive telemarketing practices.

Basic Local Telephone Service and Telephone Regulation

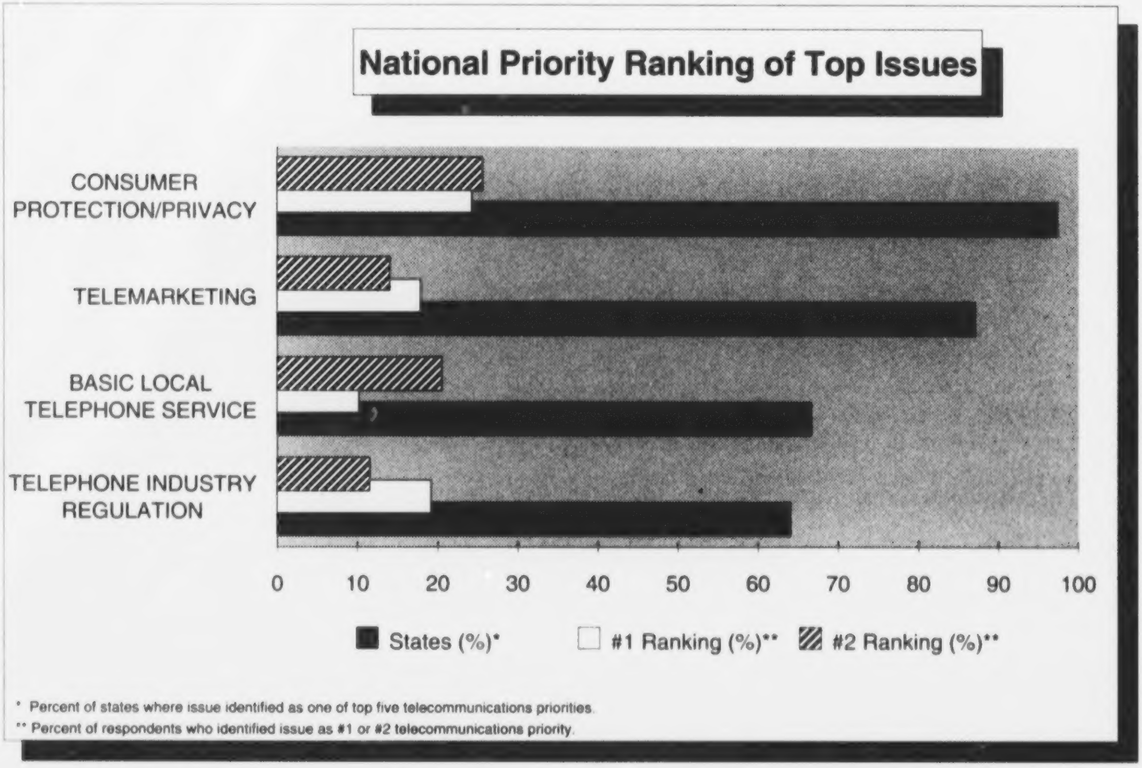
State legislators and regulators continue to monitor the effects of this new era of alternative telecommunications regulation, deregulation and competition on the access to, cost and quality of "plain old telephone service" (POTS). In 1992, about half the states plan to examine the status of services that could be particularly affected by deregulatory types of actions--especially rural service, extended area service, measured service and universal service. Respondents in 14 states also indicated that competition in local telephone service would be a topic of debate. Late last year the Illinois Commerce Commission announced plans to allow competition among telephone companies for basic local service, although probably not for several years.

As has been the case for the last few years, deregulation of the telecommunications industry will be a priority for many states. State legislatures and utility commissions continue to be key players in the ongoing deregulation and increased competition in the intrastate market. Most states have replaced traditional, cost-based, rate-of-return regulation of local telephone companies with alternative or flexible regulatory structures. Such alternative regulatory methods now in place or being considered by states include incentive sharing plans, indexed price caps, rate stability plans, service-specific flexibility and social contracts. *State Issues* respondents indicated that 25 states would consider telephone regulation this year; 20 of them will consider partial deregulation or regulatory flexibility.

The regulation of new or enhanced types of services, such as personal communications networks (PCNs) and other types of wireless service will be the topic of deliberation on the state and federal levels in the years to come. PCNs are mobile communications systems that use portable, low-power telephones to communicate through "telepoints," microcell radio receivers on streets and in buildings. The New York Department of Public Service recently recommended that PCNs be regulated as a conventional service in cases where they resemble conventional telephone service. New York was the first state to approve an intrastate personal communications service (PCS); telepoint service will be available this summer in New York City.

Cable Television

The survey results show that a significant number of states (well over half) expect to address cable television regulation in 1992 sessions. The type of regulation (or reregulation) states and localities are able to institute will be largely determined by the outcome of S.12, the Cable Television Consumer Protection Act currently pending in the U.S. Congress. This controversial



* Percent of states where issue identified as one of top five telecommunications priorities.

** Percent of respondents who identified issue as #1 or #2 telecommunications priority.

legislation is designed to establish regulation of cable system customer rates wherever effective competition does not exist, thereby expanding government regulation of an industry substantially deregulated by the Cable Communications Policy Act of 1984. It directs the FCC to establish guidelines for regulation of basic cable service and for the equipment needed to provide it. FCC regulation would occur only in the absence of effective competition to the local cable operator.

If the federal cable legislation is enacted, states, cities and counties with franchising authority could obtain jurisdiction over rate regulation by certifying to the FCC that they will follow FCC standards. The bill also requires the FCC to establish customer service standards, although state and local franchising authorities could set standards that exceed federal standards.

Other Priority Issues

Other top priority issues identified by *State Issues* respondents include taxation of telecommunications in Nebraska and authority to intercept communications involving securities crime in New Hampshire.

NCSL Staff Contact: Deborah Bernau (Denver Office)

Telecommunications

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**CONSUMER PROTECTION/PRIVACY**	**I**	**38**	**1**	**2**	**1,2**	**2**	**2,2**	**4**	**5**	**2**	**4**	**1**	**5**	**1,2**
a.	Pay-per-call (900- and 976-type) services		33	✓		✓✓	✓	✓	✓	✓		✓		✓	✓✓
b.	Pornographic phone services		23	✓		✓✓			✓		✓	✓		✓	✓
c.	Caller identification services		22	✓		✓✓	✓	✓✓		✓				✓	
d.	Telephone/cable company marketing practices (e.g., slamming)		17			✓	✓	✓		✓	✓				
e.	Sale of subscriber information		13	✓		✓✓		✓							
f.	Other		3										✓		
2.	**TELEMARKETING**	**II**	**34**	**3**	**1**	**1**		**1,1**	**3,3,4**		**1,1,3**		**1,4**	**3**	**1,2**
a.	Unsolicited or junk telemarketing calls		30	✓		✓		✓✓	✓✓✓		✓✓✓		✓✓	✓	✓✓
b.	Use of automatic dialing devices		21			✓			✓		✓		✓	✓	✓
c.	Unsolicited or junk telefacsimile messages		18			✓		✓	✓		✓		✓	✓	
d.	Telephone solicitation purchases and contracts		16	✓		✓		✓✓			✓				
e.	Registration of telemarketing firms		15	✓		✓		✓	✓		✓				
f.	Other		1												
3.	**BASIC LOCAL TELEPHONE SERVICE**	**III**	**26**	**1,5**		**2**	**4**	**5**	**2**		**2,3**		**2**	**2**	**5**
a.	Rural service		14	✓✓				✓						✓	
b.	Competition with other service providers		14				✓	✓			✓		✓	✓	
c.	Extended area service (EAS)		12	✓				✓					✓		
d.	Measured service/usage sensitive pricing		10										✓	✓	
e.	Lifeline rates/universal service		9			✓									
f.	Reduced rates for special groups		9	✓		✓			✓		✓				
g.	Flexible rates (e.g., rate banding)		8	✓					✓		✓				
h.	Other		3												
4.	**TELEPHONE INDUSTRY REGULATION**	**III**	**25**	**2**			**1**	**5**	**1,2,2**	**3**		**1**	**3**		**4**
a.	Partial deregulation/regulatory flexibility		20	✓				✓	✓✓	✓			✓		✓
b.	Cost allocation/cross subsidies		18	✓					✓✓			✓	✓		✓
c.	Depreciation rates		8				✓					✓			
d.	Full deregulation		4	✓			✓								
e.	Other		4				✓								
5.	**CABLE TELEVISION FRANCHISES**	**III**	**28**		**4**	**5**		**3,4**	**1,5**	**2**	**1,5**	**2**	**2,4**		**3**
a.	Re-regulation of cable service		21					✓	✓		✓	✓	✓		
b.	Telephone company entry in cable service		19					✓	✓	✓	✓✓	✓	✓		
c.	Competition among cable operators		14					✓✓	✓	✓	✓	✓			
d.	Requirements and fees		10			✓				✓					
e.	Municipal ownership		8										✓✓		✓
f.	Other		1												
6.	**CABLE TELEVISION SERVICE AND RATES**	**III**	**30**		**5**		**3**	**3,4**	**4,5**	**1**		**3**		**1**	**3,4**
a.	Subscriber rates		22				✓	✓✓				✓		✓	✓
b.	Standards for service (quality control)		20				✓	✓	✓✓	✓				✓	
c.	Taxation		15					✓				✓		✓	
d.	Programming requirements		11							✓				✓	
e.	Access to service/landlord-tenant agreements		7							✓					✓
f.	Other		1												
7.	**SPECIAL OR ENHANCED TELEPHONE SERVICES**	**IV**	**27**		**3**	**3**	**5**		**5**	**4**	**4**	**5**	**5**	**4**	**5**
a.	Hearing- or speech-impaired relay service		15			✓				✓	✓				
b.	Emergency (911) service		15									✓	✓	✓	✓
c.	Cellular service		11				✓		✓		✓	✓			
d.	Other		2				✓								
8.	**LONG-DISTANCE TELEPHONE SERVICE**	**V**	**15**	**4**		**4**			**1,3**				**3,5**		
a.	Intra-LATA competition/deregulation		10	✓		✓			✓✓				✓✓		
b.	Alternative operator services (AOS)		7	✓									✓		
c.	Inter-LATA competition/resale		6	✓		✓									
d.	Bypass		3												
e.	Other		3												

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top telecommunications priority.

Note: No responses were received from (or issues identified for): MA, ME, MS, NM, PR, SC, and UT.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Telecommunications

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	**1,1,3**	**2,4**	**5,5**	**1,2**	**5**	**2,3**		**2**		**4**	**3**	**2**		**1,2**	**1**		**2,5**		**1,3**	**1,2,5**
a.	✓✓	✓	✓	✓✓	✓	✓✓		✓		✓	✓	✓		✓✓	✓		✓✓		✓✓	✓
b.	✓✓			✓		✓✓		✓				✓		✓	✓				✓✓	✓
c.	✓✓✓	✓✓	✓	✓										✓✓	✓		✓		✓✓	✓✓✓
d.			✓			✓				✓				✓			✓			
e.		✓	✓	✓										✓						✓✓
f.																			✓	
2.	**1,2,2**	**3**	**4,4**	**1,2**	**3**	**1**		**3**		**5,5**	**2,4**	**1**		**3**			**4**		**5**	**2,4**
a.	✓✓✓	✓		✓✓	✓	✓		✓		✓	✓✓	✓					✓		✓	✓✓
b.	✓	✓	✓	✓✓				✓		✓		✓					✓		✓	✓
c.	✓			✓		✓					✓						✓			✓
d.	✓		✓✓	✓		✓						✓					✓			✓
e.	✓✓		✓	✓	✓					✓✓	✓			✓			✓			
f.														✓						
3.	**4**	**2**	**1,3**	**1,3,5**		**4**		**5**		**2,2,2,2**	**1,2,5**			**1,3**			**3**		**2**	**1,2**
a.	✓		✓	✓✓		✓				✓	✓✓								✓	
b.			✓	✓		✓				✓✓✓	✓						✓		✓	✓✓
c.		✓	✓✓	✓✓						✓	✓✓✓			✓						✓✓
d.		✓	✓✓							✓✓✓	✓✓									✓
e.	✓			✓✓		✓				✓✓									✓	
f.	✓		✓																	
g.		✓		✓										✓						✓
h.								✓		✓	✓									
4.	**3**	**1,1**	**2,2**	**5**		**2,4**				**1,1,1,1**	**1**	**3**		**2**	**3**		**1**		**1,2**	**1,3,5**
a.		✓✓	✓	✓		✓				✓✓✓✓		✓			✓		✓		✓✓	✓✓✓
b.	✓	✓	✓	✓		✓				✓✓✓✓	✓			✓			✓		✓✓	✓✓
c.			✓			✓				✓							✓			✓✓
d.										✓										
e.		✓								✓									✓	
5.	**4**		**1**	**3,3,5**	**1**	**3,3**				**4,4,5**	**1**			**4**		**2**	**3**		**3**	**3**
a.			✓	✓✓		✓				✓✓✓	✓			✓		✓	✓		✓	
b.	✓		✓	✓✓✓	✓	✓✓				✓✓✓	✓						✓			
c.			✓	✓✓						✓✓✓	✓						✓			
d.				✓	✓					✓	✓						✓			
e.	✓					✓					✓						✓			
f.										✓										
6.	**4,5**		**3**	**4**	**2**	**1,5**		**4**		**3,4**	**3**	**4**		**4,5**			**2**		**4**	**3,5**
a.	✓		✓	✓		✓				✓✓	✓	✓		✓✓			✓		✓	✓✓
b.			✓	✓	✓	✓				✓	✓	✓					✓		✓	✓
c.	✓			✓	✓	✓					✓			✓						✓✓
d.				✓				✓		✓	✓	✓					✓		✓	
e.				✓		✓✓					✓									
f.																				
7.	**1,2,2**	**5**		**4**	**4**			**1**		**5**	**2,4,5**					**1**			**4**	**4,4**
a.	✓✓	✓		✓	✓			✓		✓										✓
b.	✓	✓									✓✓✓					✓				✓
c.										✓	✓								✓	✓
d.											✓									
8.	**3,5**	**3**		**2**						**3,3,3**	**3**			**5**			**1**		**5**	
a.	✓✓	✓		✓						✓✓✓							✓			
b.	✓			✓																
c.		✓		✓						✓										
d.				✓						✓✓										
e.											✓			✓					✓	

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).
✓ = Respondent from that state who selected the subissue.

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Telecommunications

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**CONSUMER PROTECTION/PRIVACY**	1,1,3	1,2		3,4		1,3,3	4		1	4	2	1,2,2	2	1,1,4
a.	Pay-per-call (900- and 976-type) services	✓✓	✓✓		✓✓		✓✓	✓		✓			✓✓	✓	✓
b.	Pornographic phone services	✓✓			✓✓		✓✓	✓		✓				✓	✓
c.	Caller identification services	✓✓✓	✓		✓			✓			✓	✓	✓✓		
d.	Telephone/cable company marketing practices (e.g., slamming)	✓✓	✓		✓			✓		✓			✓		✓
e.	Sale of subscriber information	✓	✓							✓			✓✓✓	✓	
f.	Other										✓				
2.	**TELEMARKETING**	3,4,5	1,2		3,4		2,2,4	3		2	5	3	2,3	1	3,4
a.	Unsolicited or junk telemarketing calls	✓✓✓	✓✓		✓✓		✓✓✓	✓		✓		✓	✓	✓	✓
b.	Use of automatic dialing devices	✓✓	✓✓				✓				✓			✓	
c.	Unsolicited or junk telefacsimile messages	✓	✓		✓		✓						✓		✓
d.	Telephone solicitation purchases and contracts	✓						✓		✓				✓	✓
e.	Registration of telemarketing firms		✓					✓							
f.	Other														
3.	**BASIC LOCAL TELEPHONE SERVICE**	3,4,4,5					3				2		1,1		2,2
a.	Rural service	✓✓✓✓					✓				✓				✓
b.	Competition with other service providers														✓✓
c.	Extended area service (EAS)	✓✓✓									✓				
d.	Measured service/usage sensitive pricing	✓									✓		✓✓		
e.	Lifeline rates/universal service	✓					✓								✓✓
f.	Reduced rates for special groups	✓					✓								✓
g.	Flexible rates (e.g., rate banding)	✓													
h.	Other														
4.	**TELEPHONE INDUSTRY REGULATION**	1,2	5				5				1				
a.	Partial deregulation/regulatory flexibility	✓✓	✓				✓				✓				
b.	Cost allocation/cross subsidies	✓									✓				
c.	Depreciation rates	✓✓													
d.	Full deregulation	✓													
e.	Other														
5.	**CABLE TELEVISION FRANCHISES**	3,4,5			1,2			2				2,4	3,5	3	1,3,3
a.	Re-regulation of cable service	✓✓			✓			✓				✓	✓	✓	✓✓
b.	Telephone company entry in cable service	✓						✓					✓	✓	✓
c.	Competition among cable operators	✓			✓			✓						✓	
d.	Requirements and fees	✓✓			✓✓										✓
e.	Municipal ownership	✓✓													✓✓
f.	Other														
6.	**CABLE TELEVISION SERVICE AND RATES**	1,2	4,5		1,2		1,4	1			3	2		4	2,4
a.	Subscriber rates	✓✓	✓		✓✓			✓						✓	✓
b.	Standards for service (quality control)	✓	✓		✓✓		✓				✓				
c.	Taxation		✓		✓		✓	✓							✓
d.	Programming requirements		✓		✓										
e.	Access to service/landlord-tenant agreements		✓					✓							
f.	Other		✓												
7.	**SPECIAL OR ENHANCED TELEPHONE SERVICES**	5	3		5,5		1,2,4					1,1	4		5,5
a.	Hearing- or speech-impaired relay service	✓	✓									✓✓	✓		✓
b.	Emergency (911) service	✓	✓		✓		✓✓					✓✓			✓
c.	Cellular service				✓		✓✓								✓
d.	Other														
8.	**LONG-DISTANCE TELEPHONE SERVICE**	2,2	3,4									5			
a.	Intra-LATA competition/deregulation	✓													
b.	Alternative operator services (AOS)	✓	✓✓									✓			
c.	Inter-LATA competition/resale	✓													
d.	Bypass	✓✓													
e.	Other														

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority).

✓ = Respondent from that state who selected the subissue.

Transportation

During the autumn of 1991, Congressional deliberations on surface transportation reauthorization were still ongoing as state legislators were polled for this publication. Although many highway construction and other state transportation projects were then "on hold" awaiting the new legislation, survey results show little change from previous years in transportation needs and priorities. After decades of underfunding, road and highway maintenance and repair, as well as extension or improvements to both urban and rural roads, continue to dominate transportation agendas.

Increasing national emphasis on alternative transportation modes and "intermodality" will underscore the need for state legislatures to weigh mass transit options and such commercial motor vehicle issues as driver licensing, vehicle safety and longer combination vehicles (LCVs). In many states, rail transportation also will be evaluated to determine what role light rail or high speed rail might play in improving air pollution or relieving congestion. Rail system preservation is still an important issue in many states. And the perennial issue of drunken drivers will continue to claim legislative attention.

Federal Surface Transportation Reauthorization

Legislation passed by Congress on November 27 will overhaul the basic structure of our national transportation system. It will directly affect the shape and size of the national highway network, transferability of funds between roads and mass transit programs, and even the ability to charge tolls on federally funded roads. Changes such as flexible funding and assessment of tolls were ardently sought by the states. Federal-state match has been set at 80-20. This legislation will shape our national transportation system through 1996 and determine how much and what can be done about the issues that legislators identified as priorities in this survey.

Roads and Highways

According to a 1991 Federal Highway Administration (FHwA) status report on the nation's highways and bridges, approximately 100,000 miles of roadway are in need of repair, which threatens safety and substantially raises highway user costs in terms of vehicle repair and wasted time. The Road Information Program (TRIP) has estimated the total cost for road repair at $285.5 billion. It is not surprising then that most of the states in session this year indicated their prime transportation concern is the construction and maintenance of urban and rural roads and bridges. As deterioration continues and inflation magnifies repair costs, the cost per mile of essential renovation rises dramatically, each delay adding to state expense.

Numerous studies have shown a close correlation between the nation's investment in public infrastructure and economic growth. Economist David Aschauer's work indicates that investing in roads and bridges, along with other public infrastructure systems, triggers an increase in national productivity and competitiveness. If TRIP is correct in its assessment that each $1 billion investment in highway improvements produces approximately 41,600 jobs in all sectors of the economy (75 percent of these outside the construction industry), a national road improvement program might greatly benefit our current sluggish economy. Reduction in vehicle operation costs and reduced emissions resulting from unclogged freeways would add to the social benefits.

State Issues responses also show that states are willing to consider alternate methods of raising revenues for highway improvements. Federal reauthorization legislation follows the user fee philosophy expressed in the National Transportation Policy by allowing a combination of federal funding and toll revenues to finance new or converted toll projects. At least 21 states considered toll legislation in 1991, and increased use of toll charges will be under discussion in a similar number of states in session in 1992.

Mass Transit

Federal reauthorization provides the window of opportunity hoped for by the transit community for a number of years. Reduced federal funding since 1981 has put fiscal pressure on state and local transit programs, while ridership has continued to slump and public operating subsidies have risen. The new flexibility delivered in reauthorization allows states and planning groups to use federal funding in the most appropriate manner for a particular jurisdiction. The emphasis has changed from road construction to more efficient and productive use of existing transportation systems.

Still, highway travel is expected to increase at least 2 percent a year, doubling the volume in the next 32 years and adding to the already problematic increase in travel time and costs, as well as fuel consumption and pollution. Continued growth in suburb-to-suburb traffic, overdependence on the automobile for personal mobility, and uncoordinated land use decisions have all contributed to near-gridlock conditions in many regions.

Also, demographers expect growth in the number of citizens over age 65, women and minorities, and those living below the poverty level. These segments of the population, as well as the physically disabled, are projected to remain highly dependent on public transit. Transportation experts believe that highways and public transit can no longer be addressed separately, but should be fully integrated in order to meet national mobility needs.

Transit systems have more concerns than congestion. There is also a need to comply with many new federal regulations required by two sweeping new laws: the new Clean Air Act, requiring states and localities to take actions to reduce pollution in non-attainment areas; and the Americans with Disabilities Act of 1990 (ADA), mandating improved accessibility to public transportation by the disabled.

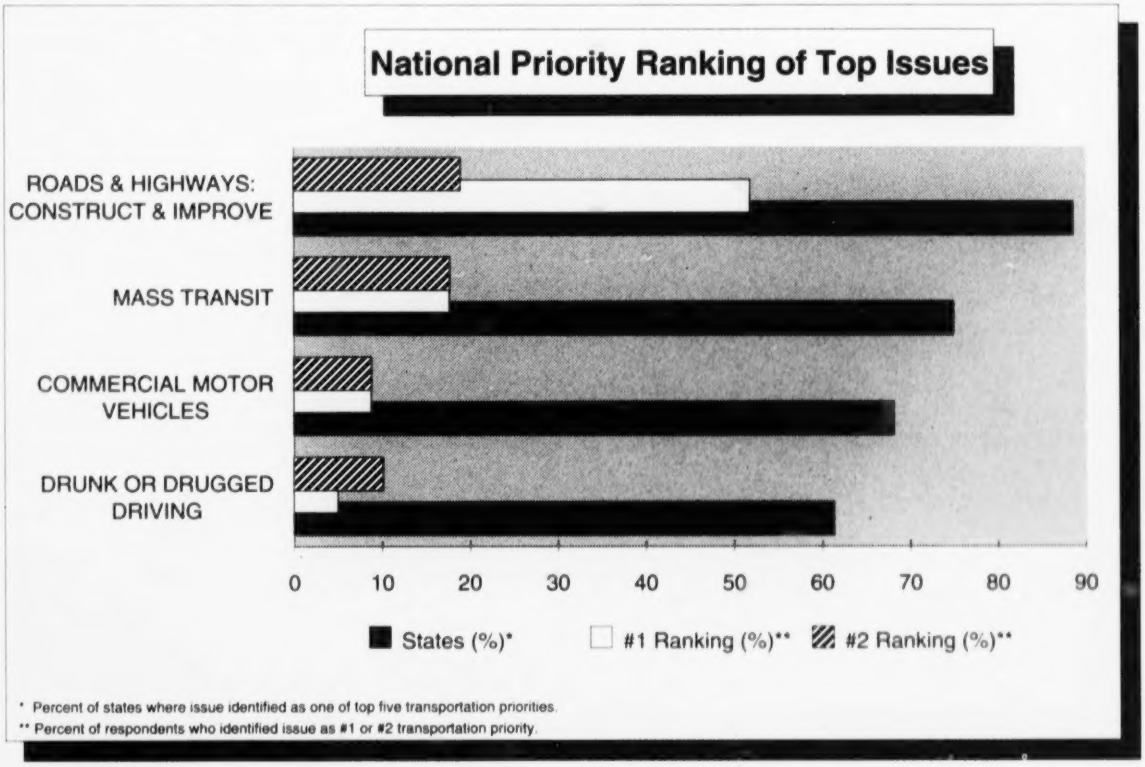
Responses to the mass transit portion of the *State Issues* survey indicate that legislators in more than half the states are greatly concerned with improving public transit systems and services, and specifically with funding these improvements. Fifteen of the responding states reported that they will be working to conform to the Clean Air Act, and at least 11 states will attempt to conform to the ADA.

Private sector participation in and privatization of transit services is a growing area of interest to legislators. Tight budgets and federal transportation policy both reflect the need to involve the private sector in planning, financing, building, managing and maintaining transit facilities and services. According to *State Issues* survey results, 15 states expect to address regulatory and legal barriers to public-private initiatives.

Commercial Motor Vehicles

More than half the states expect to deal with commercial motor vehicle (CMV) matters in 1992, and among those states, 65 percent anticipate working with licensing issues. April 1, 1992, is the federal deadline by which all CMV drivers who operate vehicles over 26,000 pounds, carry more than 15 passengers, or transport hazardous materials must have obtained a commercial driver license. Nationally, almost two million drivers are yet to be licensed.

Reauthorization legislation also affects the size and configuration of commercial motor vehicles on U.S. roads by limiting the use of longer combination vehicles (LCVs) on the interstate system to states that allowed them before June 1, 1991. This includes trucks with two or more trailers (triples, long doubles or Rocky Mountain doubles) weighing over 80,000 pounds. State registration procedures, often referred to as the "bingo stamp" program, have been modified into an annual "base state" vehicle registration program.



* Percent of states where issue identified as one of top five transportation priorities.

** Percent of respondents who identified issue as #1 or #2 transportation priority.

Drunk or Drugged Driving and Rail Transportation

Responses to the *State Issues* survey indicated that these two issues will receive approximately equal attention in 1992 legislative sessions. Drunk and drugged driving continues to occupy legislative agendas, with around 100 new laws enacted in 1991, and at least 27 states expecting to deal further with the issue in 1992. States are approaching the problem both punitively--by increasing penalties for repeat offenders, impounding vehicles, plates or registration--and positively--by evaluating mandatory treatment, education or counseling.

About half the states will be concerned with preserving existing rail systems and services, particularly in the current recessionary atmosphere. Both light rail and high speed rail will be considered asmeans to alleviate congestion, though there is some controversy about the costs involved.

Other Priority Issues

Other top priority issues identified by respondents include streamlining transportation laws in Florida, requiring proof of automobile insurance in West Virginia, evaluation of the transportation trust fund in Louisiana, and privatization of the marine highway system in Alaska. Reorganization of the highway department in South Carolina, providing for greenways and bike paths in Delaware, and incentives or mandates for clean fuel vehicles in California will receive legislative attention in those states.

NCSL Staff Contact: Chris Pattarozzi (Denver Office)

Transportation

	MAJOR ISSUE AREAS Subissues	NAT'L RANK	STATE TOTAL	AK	AL	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA
1.	**ROADS & HWYS: CONSTRUCT & IMPROVE**	**I**	**30**	**2**	**1,5**	**1,1,1**	**2,2**		**4**	**4**		**1**	**2**	**2,2,3,3**	**1,2,4**
a.	Infrastructure maintenance and repair, bridge inspection		35	✓		✓	✓✓		✓	✓			✓	✓✓✓✓	✓✓✓
b.	Rural road improvements or extension		25	✓	✓	✓✓							✓	✓✓	✓
c.	Urban/suburban road improvements or extension		23	✓	✓✓	✓✓	✓							✓✓	✓✓
d.	Toll roads		22	✓	✓	✓✓	✓✓						✓		
e.	Private highway development		13	✓		✓✓	✓✓								
f.	Other		9			✓			✓			✓			
2.	**MASS TRANSIT**	**II**	**33**		**1**	**2,2**	**1,1**		**1,2**	**3**	**1**	**3**	**1**	**1,1,1**	**2**
a.	Improved public transit systems and facilities		28		✓	✓	✓✓		✓✓		✓			✓✓✓	✓
b.	Private sector participation, privatization		15				✓		✓✓				✓	✓✓✓	✓
c.	Conformity to 1990 Clean Air Act Amendments		15			✓✓			✓✓		✓				
d.	Rural mobility/intercity transit service		13		✓				✓✓				✓		
e.	Conformity to Americans with Disabilities Act		11						✓	✓					✓
f.	Other		6				✓✓					✓		✓✓	
3.	**COMMERCIAL MOTOR VEHICLES**	**III**	**30**	**4**	**4**	**3,4,5**		**1**	**3**	**1**	**4**				**1**
a.	Commercial driver licensing		21	✓	✓	✓				✓					✓
b.	Safety standards (e.g., equipment, drivers' hours)		16	✓		✓			✓						✓
c.	Drug testing of commercial drivers		14			✓									
d.	Longer combination vehicles		13			✓✓					✓				
e.	Other		9			✓✓		✓	✓						
f.	Backhauling regulation		3												
4.	**RAIL TRANSPORTATION**	**III**	**26**				**3,4**		**3**			**4**		**1,2**	**2,4**
a.	Preservation of rail service and systems		19				✓		✓						✓✓
b.	Light rail development		15						✓					✓✓	
c.	High speed rail development		12				✓					✓			✓
d.	Rail safety		7				✓✓		✓						
e.	Other		6												
5.	**DRUNK OR DRUGGED DRIVING**	**III**	**27**		**3**	**3**			**4,5**	**2**				**2,4,5**	**1,3,5**
a.	Increased penalties for repeat offenders		22		✓	✓			✓✓	✓				✓	✓
b.	Administrative license suspension		16		✓	✓								✓	✓✓
c.	Impoundment of vehicles, plates, or registration		14			✓			✓					✓✓✓	✓
d.	Mandatory DUI treatment/rehabilitation		12		✓	✓								✓	✓✓
e.	Ignition interlock systems		11						✓					✓	
f.	Other		4						✓					✓	
6.	**AVIATION AND AIRPORTS**	**IV**	**21**	**1**	**2**	**3,5**							**4**	**3,5,5**	
a.	Airport upgrade or enlargement		17	✓		✓							✓	✓✓✓	
b.	Airport noise control and environmental impacts		10			✓✓							✓	✓	
c.	Conversion of military airport to civilian airport		6		✓	✓✓									
d.	Other		5	✓	✓										
7.	**TRAFFIC MANAGEMENT AND HIGHWAY SAFETY**	**IV**	**25**		**2**	**4**	**5**		**1,2**		**2**	**5**	**5**	**3**	**2**
a.	Ridesharing incentives (HOV lanes, employer participation)		17			✓	✓		✓✓		✓		✓	✓	
b.	Intelligent vehicle highway systems (smart cars/smart hwys.)		11				✓						✓	✓	
c.	Speed laws		10						✓					✓	
d.	Drug-free requirements for driver license		7		✓									✓	✓
e.	Other		2						✓✓			✓			
8.	**MOTOR VEHICLE SAFETY AND EQUIPMENT**	**IV**	**26**	**3**		**4**	**5**		**5**	**5**				**4,5**	**3,3,5**
a.	Seat belts		15			✓	✓			✓				✓	
b.	Motor vehicle safety inspections		13	✓					✓					✓	✓
c.	Motorcycle safety or helmet laws		12											✓✓	✓✓
d.	School bus safety or equipment requirements		11	✓					✓					✓	
e.	Other		7				✓		✓						
f.	ATV regulation and safety		6											✓	
9.	**HAZARDOUS/RADIOACTIVE MTRLS TRANSPORT**	**IV**	**22**		**3,5**	**2,5**	**3**						**3**		**4**
a.	Implement new federal hazardous materials regulations		14		✓✓	✓✓									
b.	Designated routes		10			✓							✓		
c.	Vehicle inspections/enforcement		9		✓	✓									
d.	Emergency response training and funding		8		✓								✓		
e.	Railroad safety (hazardous/radioactive materials)		8				✓								
f.	Other		3				✓								✓
10.	**MARINE TRANSPORTATION**	**V**	**13**		**4**									**4,4**	
a.	Boaters' use of alcohol and drugs		8		✓									✓✓	
b.	Boating speeds and traffic regulation		8		✓									✓	
c.	Boater safety education		6		✓									✓	
d.	Regulation of jet skis or other personal watercraft		4											✓	
e.	Other		4											✓✓	

NAT'L RANK = National priority level (see Introduction).

STATE TOTAL = Number of states where issue identified as a top transportation priority.

Note: No responses were received from (or issues identified for): MS and NM.

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority).

✓ = Respondent from that state who selected the subissue.

Transportation

	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN	MO	MS	NC	NE	NH	NJ	NM	NY	OH
1.	1,1	1,2,2	1	1,1	4	1,1	1	1	1,1,2,4	1,1,1,1	2,3,5	1		1		1	2		1,2	1,3,3
a.	✓✓	✓✓		✓✓		✓✓	✓	✓	✓✓✓✓	✓✓✓	✓	✓		✓		✓	✓		✓✓	✓✓✓
b.	✓✓	✓	✓	✓✓		✓			✓✓✓	✓✓	✓								✓	✓✓✓
c.	✓✓	✓✓	✓	✓		✓✓	✓		✓✓	✓✓✓	✓✓								✓✓	✓✓✓
d.		✓✓✓				✓		✓	✓✓		✓✓	✓		✓			✓		✓✓	✓
e.		✓✓				✓		✓	✓					✓					✓	✓
f.					✓			✓		✓✓	✓					✓				
2.	5	1,2,4	4				3		1	2,3	1,2,3	3		2		4	3		1,2	2,4
a.	✓	✓✓	✓				✓		✓	✓✓	✓✓	✓		✓		✓	✓		✓✓	✓✓
b.	✓	✓							✓	✓				✓					✓	✓
c.	✓		✓														✓		✓✓	✓
d.	✓	✓							✓	✓	✓✓	✓							✓	✓
e.	✓	✓									✓✓✓								✓✓	
f.		✓✓									✓								✓	
3.	2,4	4	2	2,2		4			3,4,5	3,3,3	1,1,3			4	4		1			5,5,5
a.	✓	✓	✓	✓		✓			✓	✓✓				✓	✓					✓✓
b.	✓	✓	✓								✓			✓	✓		✓			✓✓
c.	✓	✓	✓			✓			✓✓	✓				✓	✓					✓
d.	✓✓	✓		✓✓					✓✓✓		✓									✓✓
e.										✓✓✓	✓✓✓									✓
f.										✓✓										✓
4.		5		3,3		4	5	2	1,2,2,2	2	5,5				5		4		3,5	2,4
a.				✓✓		✓	✓		✓✓		✓				✓		✓		✓✓	✓✓
b.		✓		✓		✓	✓	✓	✓✓		✓✓						✓		✓	
c.		✓					✓		✓✓		✓								✓✓	✓✓
d.										✓	✓								✓✓	✓✓
e.								✓	✓	✓										
5.		1,4,5		4	5	3			5	2		5			1	3			5	3
a.		✓✓		✓	✓					✓		✓			✓				✓	✓
b.		✓✓							✓	✓					✓					
c.						✓			✓						✓					✓
d.		✓			✓					✓									✓	
e.		✓			✓	✓						✓			✓					✓
f.																✓				
6.	2	3,3,3				2,2	2	3	3	4,4	4			3					4	
a.	✓	✓✓✓				✓✓	✓	✓		✓✓	✓									
b.		✓✓				✓		✓		✓	✓									
c.		✓				✓✓			✓	✓										
d.		✓												✓					✓	
7.			3			4	4	4	3	5,5	2,4			5			5			
a.						✓		✓	✓		✓			✓			✓			
b.						✓	✓		✓	✓✓	✓			✓						
c.			✓			✓				✓	✓									
d.			✓			✓				✓										
e.																				
8.	4	5		4,5				5	3	4,4,5	4	2			2	5				4
a.	✓			✓						✓		✓			✓					✓
b.	✓			✓						✓	✓									✓
c.	✓	✓		✓				✓		✓✓					✓					
d.	✓	✓		✓						✓✓						✓				✓
e.								✓		✓✓						✓				
f.	✓								✓	✓										
9.	3,3		5	5		3,5			4	5					3				3	1,1,2
a.	✓			✓		✓			✓						✓				✓	✓
b.	✓			✓					✓											✓✓
c.	✓		✓						✓											✓
d.	✓✓		✓						✓											✓
e.	✓					✓			✓										✓	✓✓
f.										✓										
10.	5				1	3,5			5	2		4				2			4	
a.						✓			✓			✓				✓			✓	
b.						✓			✓			✓				✓			✓	
c.	✓											✓							✓	
d.									✓							✓				
e.						✓✓										✓				

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1=top priority)

✓ = Respondent from that state who selected the subissue.

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Transportation

	MAJOR ISSUE AREAS Subissues	OK	PA	PR	RI	SC	SD	TN	UT	VA	VT	WA	WI	WV	WY
1.	**ROADS & HWYS: CONSTRUCT & IMPROVE**	**1**	**1,1,2**	**1**	**1**	**3**	**1,1,3**	**1**	**1,2**	**1**	**1**		**1,1**	**1**	**1**
a.	Infrastructure maintenance and repair, bridge inspection	✓	✓✓✓		✓	✓	✓✓✓	✓	✓✓	✓	✓		✓✓	✓	✓
b.	Rural road improvements or extension	✓	✓		✓		✓✓	✓	✓				✓		✓
c.	Urban/suburban road improvements or extension			✓	✓		✓	✓	✓✓				✓✓		
d.	Toll roads	✓	✓✓	✓		✓			✓	✓				✓	
e.	Private highway development			✓					✓	✓					
f.	Other		✓										✓		
2.	**MASS TRANSIT**	**2**	**2,3,5**	**2**	**4**			**5**	**4**	**4**	**3**	**1**	**2**		
a.	Improved public transit systems and facilities	✓	✓	✓					✓	✓	✓	✓	✓		
b.	Private sector participation, privatization		✓✓	✓						✓					
c.	Conformity to 1990 Clean Air Act Amendments		✓✓		✓			✓	✓	✓		✓	✓		
d.	Rural mobility/intercity transit service										✓	✓			
e.	Conformity to Americans with Disabilities Act		✓		✓							✓	✓		
f.	Other														
3.	**COMMERCIAL MOTOR VEHICLES**	**5**	**2,4**	**4**			**1,2,3**	**3**	**4**			**4**	**5**	**3**	**2**
a.	Commercial driver licensing			✓			✓	✓	✓				✓		✓
b.	Safety standards (e.g., equipment, drivers' hours)	✓	✓	✓				✓							
c.	Drug testing of commercial drivers		✓	✓			✓✓	✓							
d.	Longer combination vehicles						✓	✓	✓				✓		✓
e.	Other		✓									✓		✓	
f.	Backhauling regulation						✓								
4.	**RAIL TRANSPORTATION**		**3**		**5**	**2**			**3,5**	**5**	**5**	**1,4**	**3,3**	**4**	
a.	Preservation of rail service and systems		✓		✓	✓				✓		✓	✓✓	✓	
b.	Light rail development								✓✓	✓		✓	✓✓		
c.	High speed rail development		✓						✓			✓	✓		
d.	Rail safety		✓												
e.	Other					✓					✓		✓		
5.	**DRUNK OR DRUGGED DRIVING**		**4**	**3**	**3,4**	**5**	**4,4,5**	**2**	**2**		**2**		**2**	**1,2**	
a.	Increased penalties for repeat offenders			✓	✓		✓	✓	✓		✓		✓	✓✓	
b.	Administrative license suspension		✓	✓	✓	✓	✓		✓				✓	✓	
c.	Impoundment of vehicles, plates, or registration			✓	✓	✓	✓✓	✓					✓		
d.	Mandatory DUI treatment/rehabilitation				✓		✓						✓	✓✓	
e.	Ignition interlock systems				✓								✓	✓✓	
f.	Other													✓	
6.	**AVIATION AND AIRPORTS**	**3**	**4**		**1,3**			**4**				**3,5**			**5**
a.	Airport upgrade or enlargement	✓	✓		✓✓			✓				✓✓			✓
b.	Airport noise control and environmental impacts				✓✓			✓							
c.	Conversion of military airport to civilian airport														
d.	Other														
7.	**TRAFFIC MANAGEMENT AND HIGHWAY SAFETY**	**4**	**3**		**2**				**1**	**2**	**4**	**2,3**			
a.	Ridesharing incentives (HOV lanes, employer participation)		✓						✓	✓	✓	✓✓			
b.	Intelligent vehicle highway systems (smart cars/smart hwys.)		✓						✓						
c.	Speed laws	✓	✓		✓					✓					
d.	Drug-free requirements for driver license				✓										
e.	Other														
8.	**MOTOR VEHICLE SAFETY AND EQUIPMENT**		**1**		**5**	**4**	**2,2,4**		**5**				**4,4**	**3,4**	**3**
a.	Seat belts				✓		✓✓✓						✓✓	✓✓	✓
b.	Motor vehicle safety inspections				✓	✓			✓				✓		
c.	Motorcycle safety or helmet laws		✓		✓	✓							✓		
d.	School bus safety or equipment requirements				✓		✓✓								
e.	Other		✓										✓		
f.	ATV regulation and safety												✓✓	✓	
9.	**HAZARDOUS/RADIOACTIVE MTRLS TRANSPORT**		**5**		**2**		**3,5**		**3**	**3**			**5**	**5**	**4**
a.	Implement new federal hazardous materials regulations		✓				✓✓		✓				✓		✓
b.	Designated routes		✓		✓				✓	✓					
c.	Vehicle inspections/enforcement				✓					✓				✓	
d.	Emergency response training and funding						✓						✓		
e.	Railroad safety (hazardous/radioactive materials)												✓		✓
f.	Other														
10.	**MARINE TRANSPORTATION**			**1**			**5**					**2**			
a.	Boaters' use of alcohol and drugs						✓								
b.	Boating speeds and traffic regulation						✓								
c.	Boater safety education						✓								
d.	Regulation of jet skis or other personal watercraft			✓											
e.	Other											✓			

1,2,3,4,5 = Rankings given to major issue area by respondents from that state (1 = top priority)

✓ = Respondent from that state who selected the subissue.

Appendix 1
State Coordinators

Alabama
John B. Crawford
Assistant Secretary of the Senate

Greg Pappas
Assistant Clerk of the House

Alaska
Gordon Harrison, Director
Legislative Research Agency

Arizona
Eddie Sissons, Majority Staff Director
State Senate

Karen Glennon, Policy Advisor to the Minority
Senate Minority Office

Rick Collins, Chief of Staff
Speaker of the House

Caryn Ono, Minority Staff Director
House of Representatives

California
Christine Minnehan, Principal Consultant
Office of the Senate President Pro Tem

Ron Rogers, Staff Coordinator
Senate Minority Office

Terri McElligott, Chief Administrative Officer
Assembly Republican Caucus

Bill Julian, Chief Consultant
Utilities and Commerce Committee

Colorado
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Connecticut
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Senate Majority Party

David Wilkins, Administrative Assistant
Senate Minority Party

Thomas McCarthy, Administrative Assistant
House Majority Party

Mark Brainard, Administrative Assistant
House Minority Party

District of Columbia
Faith Edwards, Press Secretary
Council of the District of Columbia

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Scott Falmlen, Director
Senate Majority Office

Jean Barry, Staff Director
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Speaker of the House

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Georgia
Joy Hawkins, Director
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James W. Mullins, Executive Director
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Richard Perkins, Chief Majority Attorney
Senate Majority Research Office

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Patricia Mau-Shimizu, Director
House Majority Research Office

Neta Stillman, Director
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Tony Rossi, Director, Research/Appropriations Staff
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Nancy Hopkins, Deputy Chief of Staff
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Diane Bolender, Director
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Kansas
Richard Ryan, Director
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Kentucky
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Senate Research Services

Noel Hunt, Executive Director
House Legislative Services

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Office of Policy and Legal Analysis

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Lindy Hover, Chief of Staff
Speaker of the House

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State Senate

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DFL Legislative Services

John Dyke, Director
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B. Darrell Jackson, Director of Research
House of Representatives

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Cynthia Johnson, Director
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June Goulson, Director
Senate Research Office

Ann FitzGerald, Coordinator
House Committee Research Staff

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Assembly Majority Office

Glen Beebe, Research Director
Assembly Republican Office

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Dave Miller, Constituent Services Coordinator
Legislative Council Service

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Geri Guardino, Policy Analyst
State Senate

Jeff Wice, Washington Counsel
Assembly Program and Counsel Staff

Gary L. Spielmann, Director
Assembly Issue Development, Minority

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Legislative Research Commission

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James R. Tilling, Chief Executive Officer
Senate President

Gary Dougherty, Legislative Aide to the Senate Minority Leader

Donna Vigorito, Administrative Assistant
Speaker of the House

Carol Norris, Executive Assistant to the
House Minority Leader

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Senate Committee Staff Division

George V. Moser, Executive Director
House Research, Legal and Fiscal

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Jack Freed, Executive Director
Senate Democratic Research and Information Office

Mary Keenan, Director
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Paula Hess, Director of Legislative Research
House Republican Leader's Office

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Jaime Platon, Senior Legislative Assistant
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Maximiliano Trujillo, Director, Office of Advisors
House of Representatives

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Senate Majority Leader's Office

Phoebe A. Chardon, Executive Assistant to the
Senate Minority Leader

Jeffrey Newman, Director of Policy
Speaker of the House

Frank Krajewski, Chief Policy Advisor
House Minority Office

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Frank B. Caggiano, Clerk of the Senate
and Director of Senate Research

Stephen Elliott, Executive Director
House Office of Research and Personnel

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Terry C. Anderson, Director
Legislative Research Council

Tennessee
Allen Barron, Chief of Staff
Senate and House Finance, Ways and
Means Committees

Utah
Richard V. Strong, Director
Legislative Research and General Counsel

Vermont
William P. Russell, Chief Counsel
Legislative Council

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Dennis Karras, Director
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West Virginia
Betty Baird, Secretary to the
President of the Senate

Jackie Rollyson, Legislative Aide to the
Senate Minority Leader

Jim Hoyer, Assistant to the
Speaker of the House

Marilyn Parsons, Secretary to the
House Minority Leader

Wisconsin
David J. Stute, Director
Legislative Council Staff

Wyoming
Richard H. Miller, Director
Legislative Service Office

APPENDIX 2
Sample Questionnaire

AGRICULTURE ISSUES

Survey completed by:

Name:________________________ Title:________________ Party:____________
(Sen., Rep., Assm., Del.)

Address:____

City/State:____________________ Zip:____________ Telephone:________/______________

I. Identify Priority Policy Areas

Directions: Please identify and rank the five policy areas (those in BOLD and CAPITALIZED) that in your judgment will have the highest priority during the 1992 legislative session in your state. Then rank those top five policy areas in descending order (1 through 5; 1 = top priority). Finally, under each of the top five priority areas, check the specific issues that you expect will be addressed in the 1992 session in your state.

____ **FINANCE & CREDIT$_A$**
- ___ Loan programs$_1$
- ___ Emergency relief/insurance (e.g., drought, flood)$_2$
- ___ Subsidized insurance$_3$
- ___ Beginning farmers$_4$
- ___ Other: ______________ $_5$

____ **AGRICULTURAL MARKETING$_B$**
- ___ Domestic marketing$_1$
- ___ Interstate commodity compacts$_2$
- ___ International trade promotion$_3$
- ___ Promotion of state products (e.g., Idaho potatoes, Washington apples, "Always buy...")$_4$
- ___ State quality standards/certification of products (e.g., organically certified)$_5$
- ___ Other: ______________ $_6$

____ **RURAL ECONOMIC DEVELOPMENT$_C$**
- ___ Farmers' markets$_1$
- ___ Promotion of food processing industries (value added, etc.)$_2$
- ___ Rural infrastructure and service financing (e.g., highway construction, rural education)$_3$
- ___ Other: ______________ $_4$

____ **TECHNICAL ASSISTANCE/TRAINING/FARM LABOR$_D$**
- ___ Retraining & job counseling$_1$
- ___ Farm safety standards$_2$
- ___ Integrated pest management$_3$
- ___ Sustainable agriculture research and demonstration$_4$
- ___ Farm labor issues (e.g., health insurance, pesticide exposure)$_5$
- ___ Family farm business assistance$_6$
- ___ Other: ______________ $_7$

____ **BIOENGINEERED SUBSTANCES$_E$**
- ___ Biotechnology support$_1$
- ___ Regulation of bioengineered substances (e.g., bovine somatropin)$_2$
- ___ Other: ______________ $_3$

____ **PESTICIDE USE$_F$**
- ___ Pesticide use regulation$_1$
- ___ Pesticide registration$_2$
- ___ Pesticide ban$_3$
- ___ Applicator certification/training/licensing$_4$
- ___ Groundwater protection (nonpoint controls)$_5$
- ___ Pesticide residues standards/testing$_6$
- ___ Other: ______________ $_7$

____ **SOIL & LAND PRESERVATION$_G$**
- ___ Soil conservation$_1$
- ___ Agricultural land preservation$_2$
- ___ Wetlands drainage/filling$_3$
- ___ Other: ______________ $_4$

____ **FOOD LABELING$_H$**
- ___ Ingredients$_1$
- ___ Description (e.g., organic, natural)$_2$
- ___ Nutritional content$_3$
- ___ Health claims$_4$
- ___ Pesticide use$_5$
- ___ Country of origin$_6$
- ___ Other: ______________ $_7$

____ **OTHER:** ______________ $_I$
(Describe in Part II below)

II. Summarize Expected Actions

Directions: For each of the five priority policy areas you chose in Part I, briefly describe the issues and actions likely to be considered during the 1992 session in your state.

1. ____
2. ____
3. ____
4. ____
5. ____

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